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CITY OF RIALTO 2000-2005 HOUSING ELEMENT



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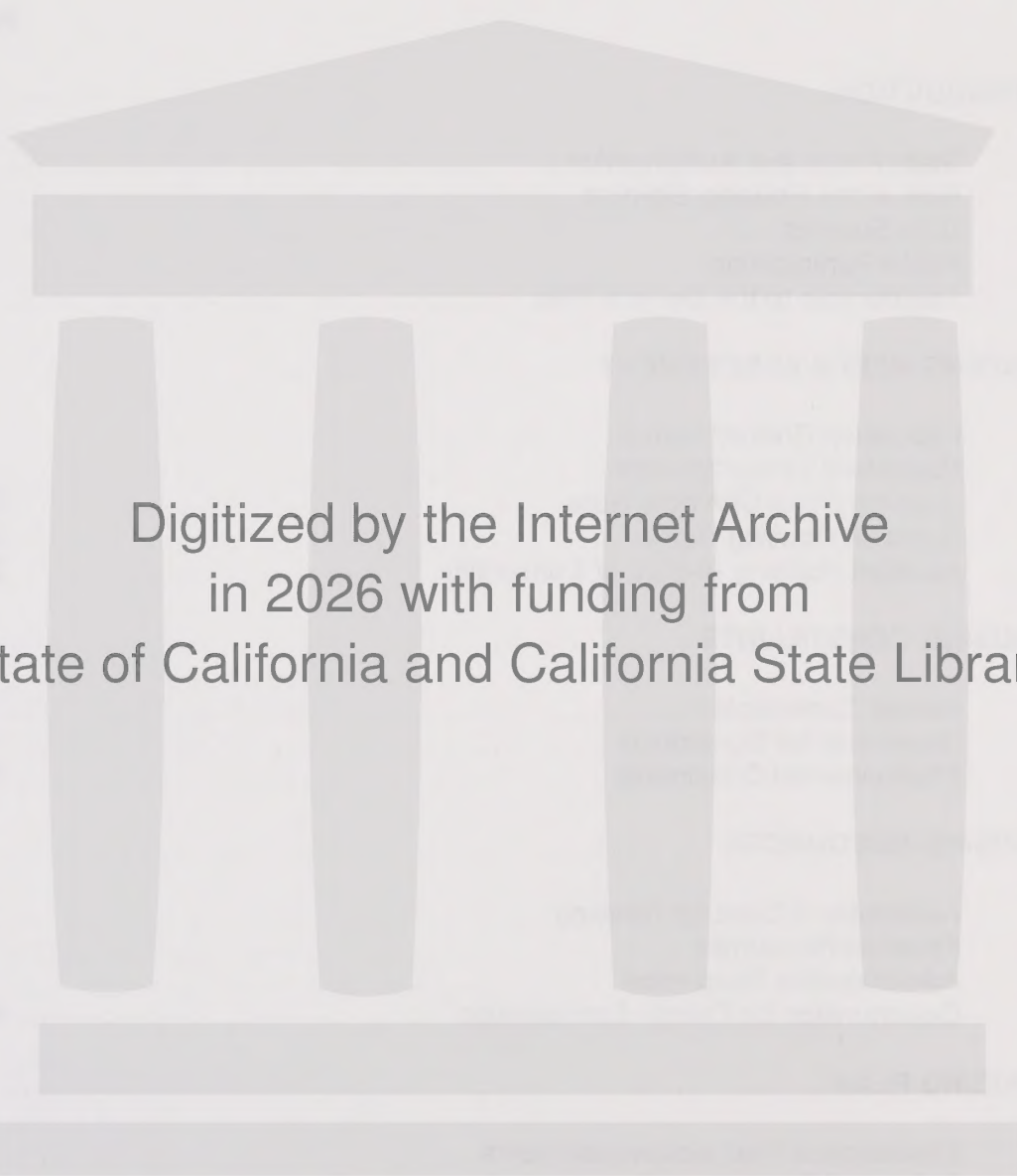
City of Rialto
150 South Palm Avenue
Rialto, CA 92376

COTTON/BRIDGES/ASSOCIATES
747 East Green Street, Suite 300
Pasadena, California 91101

#1138.00

HOUSING ELEMENT
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HOUSING ELEMENT

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City of Rialto Housing Element
Introduction



1. INTRODUCTION

The City of Rialto encompasses approximately 22 square miles and is bordered by San Bernardino to the east, Fontana to the west, and the San Bernardino National Forest to the north. Over the past decade, Rialto has experienced significant growth, with population and housing increasing over 100% since 1980. As of the Year 2000, the City of Rialto is the fifth largest community in San Bernardino County with additional capacity to grow.

In addition to rapid population and housing growth, the City of Rialto is still experiencing the lingering impact of the Inland economic recession. During the middle to later 1980s, new and existing home prices increased significantly --pushed by an ever increasing market demand. However, with the real estate depression in the early 1990s and declining home values, the City of Rialto and cities in eastern San Bernardino County were left with numerous foreclosures. One of the main challenges is absorbing the high level of vacant homes in the market.

Given the emerging yet gradual improvement in the regional economy, however, Rialto is taking advantage of its important status as a key distribution center for the entire Inland Empire. The City is building upon this strength through the development of several redevelopment project areas which include railroad, aviation, and other distribution-related activities. Moreover, through rehabilitation and beautification activities, Rialto is revitalizing its commercial areas. The intent is to revitalize the local economy and provide funds for future housing.

Toward this end, this Housing Element sets forth the City's strategy for preserving and enhancing the community's residential character, expanding housing opportunities for all persons, and providing guidance and direction for future housing policy. This Housing Element builds upon the 2000-2005 Consolidated Plan as well as the 2000-2004 Redevelopment and Housing Implementation Plan. These plans set forth the Redevelopment Agency's plan for expenditure of redevelopment set-aside funds for housing related purposes.

A. State Policy and Authorization

The California State Legislature has identified the attainment of a decent home and suitable living environment for every citizen as the State's major housing goal. Recognizing the important role of local planning programs in the pursuit of this goal, the Legislature has mandated that all cities and counties prepare a housing element as part of their comprehensive General Plan. Section 65302 (c) of the Government Code sets forth the specific components to be contained in a community's housing element. State law further requires Housing Elements to be updated at least every five years to reflect a community's changing housing needs. Rialto's Housing Element was last updated in 1992. This Housing Element update is for the planning period of 2000-2005.

B. Role of Housing Element

Rialto is faced with various important housing issues: a balance between employment and housing opportunities; a match between the supply of and demand for housing; preserving and enhancing affordability to provide housing for all segments of the population; preserving the quality of the housing stock; and providing new types of housing necessary to accommodate changes in the characteristics of households. This Housing Element provides policies and programs to address these issues.

Rialto's Housing Element is a five-year plan extending from 2000-2005, unlike other General Plan elements which typically cover a minimum ten-year planning horizon. This Housing Element identifies strategies and programs that focus on: 1) conserving and improving existing housing; 2) providing adequate housing sites; 3) assisting in the development of affordable housing; 4) removing governmental and other constraints to the housing development; and 5) promoting equal housing opportunities.

The Housing Element consists of the following major components:

- An analysis of the City's demographic profile, housing characteristics, and existing and future housing needs (Section 2)
- A review of potential market, governmental, and environmental constraints to meeting the City's identified housing needs (Section 3).
- An evaluation of the land, financial, and organizational resources available to address the City's identified housing needs goals (Section 4).
- A statement of the Housing Plan to address the City's identified housing needs, including housing goals, policies and programs (Section 5).

C. Data Sources

Various sources of information are used to prepare the Housing Element. The 1990 Census provides the basis for population and household characteristics. Although dated, the Census remains the most comprehensive and widely accepted source of information. In addition, 1990 Census data must be used in the Housing Element to ensure consistency with other Regional, State, and Federal housing plans. However, several sources of data are used to supplement and provide reliable updates of the 1990 Census.

- Population and demographic data is updated by the State Department of Finance, and school enrollment data from the local Unified School District;
- Housing market information, such as home sales, rents, and vacancies, is updated by City surveys and property tax assessor's files;
- Public and nonprofit agencies are consulted for data on special needs groups, the services available to them, and gaps in the system; and
- Lending patterns for home purchase and home improvement loans are provided through the Home Mortgage Disclosure Act (HMDA) database.

D. Public Participation

Opportunities for residents to recommend strategies, review, and comment on Rialto's Housing Plan are an important component in addressing the City's housing needs. The City appointed a Citizen's Housing Advisory Committee (CHAC) to provide input on the needs assessment, goals, policies, and programs. Meetings were duly noticed and open to the public. Three meetings were held in which the draft Housing Element was reviewed and comments were taken and incorporated into the draft Housing Element.

The 13 member CHAC was designed to include a broad cross-segment of the community. The CAC consisted of members of the Planning Commission, the Recreation, Parks and Social Service Commission, the Airport Commission, Beautification Committee, Student Commissioner, Chamber of Commerce appointee, City Council member, and five members of the general public. The broad composition of the CHAC ensured that all economic segments of the community could provide input into the draft Housing Element.

The City also conducted extensive public participation as part of its 2000 Consolidated Plan to reach those who could benefit most from the City's programs, such as low income households and service providers. In 1997, 700 surveys were mailed. Though the survey was conducted in 1997, the results are still applicable as there have not been substantial changes to the identified need categories in Rialto since then. The City conducted two more public hearings on March 23 and May 2, 2000 to solicit further input and direction. During this process, community needs were ranked in the Consolidated Plan.

Due to the extensive input received from the Consolidated Plan, and because the identified program directions have been reflected in the draft Housing Element, the Housing Element clearly presents the needs of all economic segments of the population. Finally, it should be noted that the City Council also appointed a Housing Advisory Task Force in 1997 to examine a broad range of housing issues within Rialto and to develop a set of priorities for future action. The issues raised and program directions identified are also included within the present Housing Element as described herein.

Upon completion of the draft Housing Element, the document is then sent to the State Department of Housing and Community Development (HCD) for review. After HCD review, public hearings are held before the Planning Commission and the City Council. Comments received from HCD are required to be heard before those committees. Notification is published in the local newspaper in advance of each hearing and copies of the draft Element are available for public review at City Hall and public libraries. Copies of the Housing Element are sent to the Rialto Unified School District.

E. Relationship to the General Plan

The Housing Element is one of the elements of the City's comprehensive General Plan. The City of Rialto adopted its General Plan in March of 1992. The City's General Plan is currently comprised of the following eleven elements: (1) Land Use Element, (2) Economic Development; (3) Redevelopment; (4) Circulation; (5) Housing Element; (6) Open Space and Recreation; (7) Community Design; (8) Cultural and Historic Resources; (9) Conservation; (10) Noise; and (11) the Safety Element.

The Housing Element builds upon the other General Plan Elements and is consistent with the policies set forth in those elements. The City will ensure consistency between General Plan elements so that policies introduced in one element are consistent with other elements. At this time, the revised Element does not propose significant changes to any other element of the City's adopted 1992 General Plan. However, if it becomes apparent that over time changes to any element are needed for internal consistency, such changes will be proposed for consideration by the Planning Commission and City Council.

City of Rialto Housing Element
Housing Needs Assessment



2. HOUSING NEEDS ASSESSMENT

Assuring the availability and adequacy of decent, affordable housing is an important goal for the City of Rialto. Toward that end, the Needs Assessment describes and analyzes the various population, household, and housing characteristics within Rialto in an effort to determine the nature and extent of the City's specific housing needs. Later sections provide policies and programs to address housing needs identified herein.

A. Population Characteristics

Population characteristics affect the type and amount of housing need in a community. Important issues of population growth, age characteristics, race/ethnicity, and employment trends combine to influence the type of housing needed as well as the ability to afford housing. This section details the various population characteristics affecting housing needs.

1. Population Trends

Over the 1980s, Rialto's population almost doubled from 37,474 in 1980 to 72,388 in 1990. With an increase of more than 93% between 1980 and 1990, the City's population growth well surpassed the 59 percent growth experienced in San Bernardino County. As a result, Rialto has become the fifth most populated community in San Bernardino County. This kind of rapid growth brings changes which affect housing needs.

However, between 1990 and 2000, the population in Rialto increased by only 16%, which was related to the overall slower growth in the County compared to the previous decade. The slowdown is reflective of the economic recession in the early 1990s, from which communities in the eastern San Bernardino County have not yet recovered. Chart 2-1 below shows population growth trends in Rialto and neighboring communities.

Chart 2-1: Population Growth Trends

Jurisdictions	1990	2000	#Change 1990-2000	%Change 1990-2000
Colton	40,213	47,333	7,120	17.7%
Fontana	87,535	117,395	29,860	34.1%
Rancho Cucamonga	101,409	125,585	24,176	23.8%
Rialto	72,388	83,666	11,278	15.6%
San Bernardino	164,164	186,351	22,187	13.5%

Source: U.S. Census, 1990; State Department of Finance, 2000.

2. Age Characteristics and Trends

Housing needs are affected by the age characteristics of a community. For instance, young adults prefer apartments, condominiums, and smaller single-family units that are affordable. Middle aged adults prefer larger homes as they begin to form families and raise children. However, as their children leave home, older adults often trade-in their larger home for smaller, moderate-cost condominiums and smaller single-family units.

Chart 2-2 summarizes the age distribution of the City's residents as of the 1990 Census. The largest groups are children between ages 5 and 17 and young adults ages 25 to 44. This distribution indicates that Rialto has a higher proportion of younger families with children. The relatively higher proportion of families is also reflected in the housing stock which, as shown later, contains a high predominance of single family housing units.

Younger adults from 18-24 define the "household formation stage." Typically, young adults leaving school live in apartments or rented homes as their working careers begin. As younger adults begin to increase their income potential and form families, they look for "starter" homes or condominiums that are affordable. Given the generally affordable cost of housing in Rialto, however, many of the families are in starter homes.

The middle adult years are associated with the moving up stage. During this period, middle-aged adults have formed families and their income potential is the greatest. As a result, they typically are in the market for their largest home to accommodate children. As this age group increases, there will be increasing pressure on the upper income housing market, moderated by the extent that housing is available in nearby cities.

Chart 2-2: Age Composition of Residents

Age Group	City of Rialto		San Bernardino County	
	Number	Percent	Number	Percent
Preschool (0-4)	7,799	11%	138,342	10%
School Age (5-17)	17,989	25%	300,881	21%
College Age (18-24)	7,029	10%	154,416	11%
Young Adults (25-44)	24,469	34%	484,972	34%
Middle Age (45-64)	10,307	14%	214,869	15%
Senior Citizens (65+)	4,795	7%	124,900	9%
Total	72,388	100%	1,418,380	100%
Median Age	27.7		29.3	

Source: U.S. Census, 1990.

3. Race and Ethnicity

Rialto, like most communities throughout Southern California, has experienced gradual changes in the racial and ethnic composition of households over the past decade. The large population increase from 1980 to 1990 brought with it changes in the racial-ethnic composition of City residents. This section describes the racial/ethnic composition of Rialto households while later sections discuss its implications for housing need.

The City of Rialto has a more ethnically diverse population than the County of San Bernardino. According to the 1990 Census, the two largest minority groups were Hispanic households (24%) and African-American households (19%). Combined, minority households made up almost half of the City's total households versus only 31% in the County. These patterns in race and ethnicity are summarized below in Chart 2-3.

Chart 2-3: Race and Ethnicity of Households

Race/Ethnicity	City of Rialto		San Bernardino County	
	Number	Percent	Number	Percent
White	11,707	53%	321,339	69%
African-American	4,199	19%	33,422	7%
Asian-Americans	560	3%	14,244	3%
Other	182	1%	4,100	1%
Hispanic	5,245	24%	91,632	20%
Total	21,893	100%	464,737	100%

Source: U.S. Census, 1990.

The City's Federal Consolidated Plan documents areas in Rialto where racial/ethnic groups are more concentrated. A concentration is defined as exceeding the County average, a "moderate" concentration refers to twice the County average, and a "high" concentration refers to triple the County average. Blocks 35.01 and 35.02 (bordered by Highland, Linden, Merrill and Riverside) had a high concentration of African-Americans while Hispanics were moderately concentrated in the southern part of Rialto.

Increasing diversity and change in Rialto appears likely through the foreseeable future. Enrollment data provided by the Rialto Unified School District (which serves Rialto and Colton) suggests that the City's racial/ethnic composition is continuing to change. Compared with enrollment data from 1993, White students declined by 11%, while Hispanic students increased by 10%. Although much of the change is due to difference in family sizes, the data does suggest a general increase in Hispanic households.

4. Employment Market

The Riverside-San Bernardino metropolitan region experienced significant economic changes during the 1990s. Base closures, defense industry layoffs, slowdowns in the manufacturing and construction sectors, and rising unemployment characterized the Inland economy. However, since that time, the Inland economy has begun to recover.

Chart 2-4 displays changes in the unemployment rate in Rialto over the decade. During 1990, Rialto's unemployment rate was 5.9%; and slightly higher than the County. By 1992 unemployment had climbed to 10%. After the 1992-93 period, the region's economy began to improve and unemployment rates declined to 6.0% in 1998. However, strong economic growth pushed unemployment rates down even further to 4% by December 1999.

Chart 2-4: Unemployment Rate

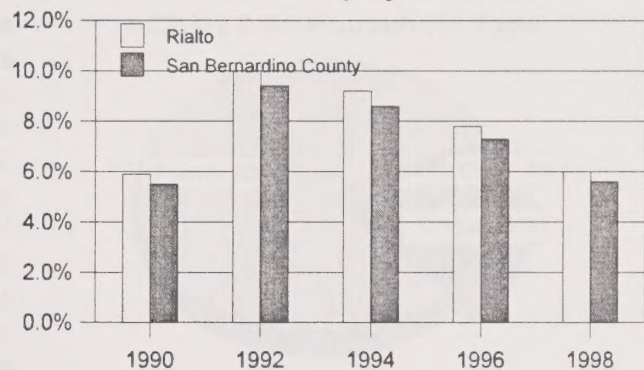


Chart 2-5 provides the types of jobs held by residents. As shown below, the type of jobs held by residents in 1990 are similar to those of the County with one exception. Rialto has a lower percentage of professional and managerial jobs, 19% compared to 24% for the County. The largest category consists of sales, technical and administrative personnel (32%) followed by operators, fabricators, and laborers (19%). The latter four occupations are often associated with more modest income levels.

Chart 2-5: Occupations of Residents

Occupations of Residents	Rialto		San Bernardino County	
	Persons	Percent	Persons	Percent
Managerial/Professional	5,813	19%	140,624	24%
Sales, Technical, Admin.	9,664	32%	187,926	32%
Service Occupations	4,075	14%	76,257	13%
Production, Craft & Repair	4,433	15%	85,388	14%
Operators/Fabricators/Labor	5,854	19%	90,079	15%
Farming, Forestry, Fishery	267	1%	11,097	2%
Total	30,106	100%	591,371	100%

Source: U.S. Census, 1990.

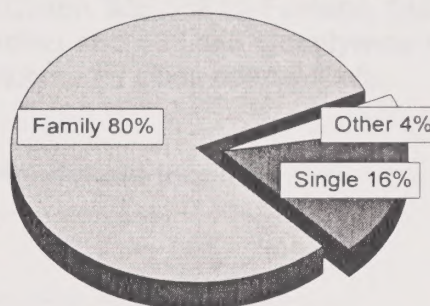
B. Household Characteristics

Household type and size, income levels, the presence of special needs populations, and other household characteristics determine the type of housing needed by residents. This section details household characteristics of Rialto residents, while Section D discusses existing household needs identified by the Southern California Association of Governments.

1. Household Type

The State Department of Finance estimates that the City of Rialto has 24,181 households in January 2000. The distribution of households can be inferred from the 1990 Census. According to the Census, the majority (80%) of households are families (Chart 2-6). Of that total 40% are families with children under age 18. Single households comprise the second largest group (16%). All others comprise the last 4% of households.

Chart 2-6: Household Type



Compared with San Bernardino County, Rialto has a significantly higher percentage of families and, in particular, married couples with children (see Chart 2-7). There is also a significant difference in average household size between Rialto and the County. Rialto has a much higher number (3.30) of persons per household than the County (2.97), which is reflective of the larger percentage of families with children residing in Rialto.

Chart 2-7: Household Composition

Household Type	Rialto		San Bernardino County	
	Number	Percent	Number	Percent
Households	21,893	----	464,737	----
Families	17,585	80%	351,690	76%
Married with Children	8,666	40%	117,695	25%
Married No Children	4,809	22%	156,262	34%
Other Families	4,110	19%	77,703	17%
Non-Families	4,308	20%	113,047	24%
Singles	3,444	16%	88,103	19%
Other	864	4%	24,944	5%
Average Household Size	3.30	----	2.97	----

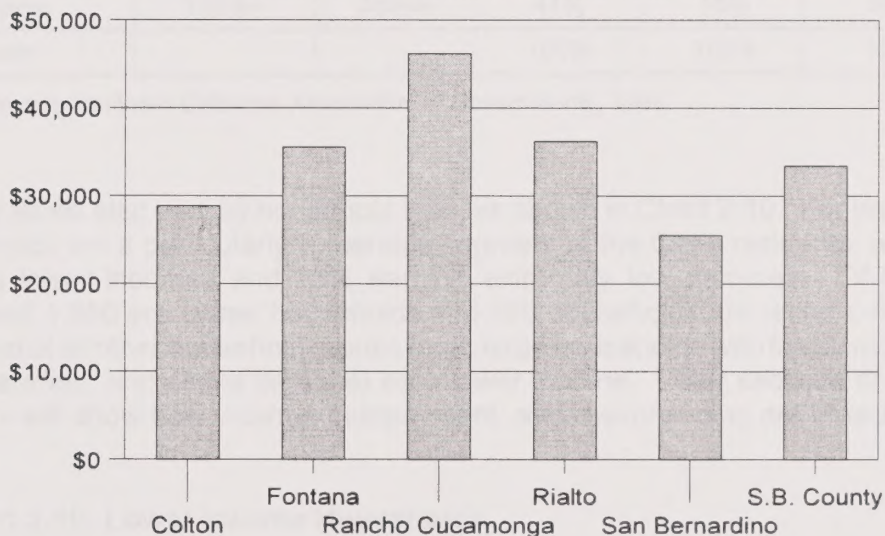
Source: U.S. Census, 1990.

2. Household Income

Household income is the most important factor affecting housing opportunity. Income levels determine a family's ability to balance the costs of renting or owning a home while reserving sufficient income to afford other basic necessities of life. Income levels can vary considerably among households, based upon their tenure (renters or owners), household type, and location of residence among other factors.

As of the 1990 Census, Rialto households earned a median income of \$36,233. This was generally comparable to surrounding jurisdictions in the eastern San Bernardino County. The median household income was \$28,838 for Colton, \$35,558 for Fontana, \$46,193 for Rancho Cucamonga, \$25,533 for San Bernardino and \$33,443 Countywide in 1990. Chart 2-8 summarizes the median household income for cities nearby Rialto.

Chart 2-8: Median Household Income



State law requires that communities plan for all economic segments of their population. Therefore, in analyzing the income distribution among households, State law requires SCAG determine the income distribution of a community according to four categories. Income categories are determined by comparing the income distribution of Rialto residents as a percentage of the median family income (MFI) for the entire Riverside-San Bernardino region, which is then adjusted for family size. The four categories are:

- Very low, defined as below 50% of the median family income
- Low, defined as between 51% to 80% of the median family income
- Moderate, defined as 81% to 120% of the median family income
- Upper income, defined as above 120% of the median family income.

Chart 2-9 summarizes the distribution of income among households residing within Rialto. As shown below, renter households have significantly lower incomes than do owners. Renters have a higher percentage of very low income households than owners, with 42% of renters and only 12% of owners earning very low income. In contrast, 75% of all homeowners are moderate and upper income households versus 37% for renters.

Chart 2-9: Household Income Levels

Income Group	Percent of County MFI	Income Threshold	Total	Renters	Owners
All	n.a.	n.a.	24,011	7,195	16,816
Very Low	00-50%	< \$23,600	21%	42%	12%
Low	51-80%	< \$37,750	15%	21%	13%
Moderate	81-120%	< \$56,653	23%	19%	25%
Upper	120%+	Above	41%	18%	50%
Total			100%	100%	100%

Source: Southern California Association of Governments, 1998.

Income levels also vary by household type, as shown in Chart 2-10. For instance, senior households are a particularly vulnerable segment of the City's residents, with two-thirds earning lower incomes and 23% earning extremely low incomes. Of that total, an estimated 1,550 are owner households and 650 households are renters. Approximately one-third of all other household groups (e.g., large households with five or more members, small families, and single persons) earn lower income. Later sections of this Housing Element will show how income, overpayment, and overcrowding are linked.

Chart 2-10: Lower Income Households

Household Type	Extremely Low (0-30%)	Very Low (31-50%)	Other Low (51-80%)	Total Lower Income
Seniors (62 and over)	23%	17%	26%	66%
Small Related (2-4)	9%	7%	13%	29%
Large Related (5+)	9%	8%	17%	34%
All Other Households	11%	10%	14%	35%
Total	11%	9%	16%	36%

Source: Comprehensive Housing Affordability Study, 1993.

3. Special Needs Groups

Certain groups have more difficulty in finding decent, affordable housing due to their special circumstances. These circumstances could be related to their income-earning potential, family characteristics and size, the presence of physical or mental disabilities, age-related health issues, and housing status among many others. As a result, certain segments of the population typically have higher rates of low income, overcrowding, as well as overpayment. Chart 2-11 summarizes the magnitude of special needs groups.

State Housing Element law defines “special needs” groups as the following: senior households, disabled persons, large households, single parent families with children, farmworkers, and the homeless among others. Communities can also address other segments of their population which have special housing needs. This section discusses the housing needs of special need groups in Rialto as well as services available to them.

Chart 2-11: Special Needs Groups

Special Need Groups	Persons	Households	Percent of City
Seniors (65 years or older)	4,795	n.a.	7%
Disabled (16 years and older)			
Work Disability	5,059	n.a.	7%
Mobility Limitation	1,654	n.a.	2%
Self-Care Limitation	3,914	n.a.	5%
Mobility/Self-Care	2,834	n.a.	4%
Single Parents with Children			
Mothers with Children	n.a.	2,321	11%
Fathers with Children	n.a.	716	3%
Subfamilies	n.a.	1,059	5%
Large Households (5+ persons)	n.a.	5,011	23%
Homeless Persons	11	n.a.	<1%
Farmworkers	18	n.a.	<1%

Source: U.S. Census Bureau 1990.

1. San Bernardino County, Public Health Department, December 31, 1998.
2. 276 persons are recorded in the larger farming, forestry, mining category

Senior Citizens.

The senior population includes persons over the age of 65. According to the 1990 Census, Rialto had 4,822 senior residents, representing 6.6% of the City's population. In comparison, the County has a slightly higher percentage (9%) of seniors. According to the City's Seniors 2000 Comprehensive and Strategic Plan, however, the proportion of seniors is estimated to have increased slightly to approximately 7.3% in 1996.

Senior households have special housing needs due to three concerns – income, health care costs, and physical disabilities. Each of these issues is briefly described below.

- **Limited Income.** The majority of the senior population is usually retired and lives on fixed incomes. According to the Census, two-thirds earn low income and nearly one-quarter earn low or very low income, defined by HUD for a single person as \$10,000 for extremely low income and \$15,000 for very low income.
- **Disabilities.** Of the total senior population, a significant portion have a self-care or mobility limitation, defined as a condition lasting over six months which makes it difficult to go outside the home alone or take care of one's personal needs. Despite their disabilities, many seniors live alone at home.
- **Overpayment.** Because of their income-expense profile, one-third of senior households overpay for housing. Many pay as much as one-half of their total income for housing. As a result, seniors have limited income left over for other basic necessities of life, the largest portion of which is medical care.

Programs to facilitate congregate housing, shared housing, rental subsidies, and housing rehabilitation assistance can be implemented to assist seniors. For the frail senior, housing with architectural design features that accommodate physical disabilities are preferable. Senior housing sites should provide easy access to health care, grocery stores, pharmacies, public transit routes, and other service needs of seniors.

The City contracts with the Old Timers Foundation to provide a Senior Minor Home Repair Program to seniors over 60 years old and disabled persons for housing repairs, weatherization and insulation. Between July and December 1999, 76 homes in Rialto were improved through this program. Section 8 rental assistance is also available to seniors. These services allow seniors to address many of their concerns.

For seniors desiring affordable housing, Rialto provides density bonuses to facilitate the development of senior citizen housing. This density bonus program has been utilized for two senior citizen apartment projects. Currently, the Southern California Housing Corporation is building 100 multi-family units with HOME and tax credit financing. Upon completion, all of these units will be affordable to very low income households.

Disabled Persons.

Rialto is home to a number of people who have personal disabilities that prevent them from working, restrict their mobility, or make it difficult to care for themselves. The 1990 Census tracks three types of disabilities – work, mobility, or self-care limitation -- that are defined as mental, physical, or health conditions that last over six months that make it difficult to go outside of the home alone or take care of one's personal needs.

For the disabled persons living independently, the City can assist in the provision of incentives or programs to address the needs of the disabled population. For instance, programs or incentives could encourage or subsidize the provision special housing design features such as wheel chair ramps, holding bars, special bathroom designs, wider doors, and other design features. In addition, the City could provide transit services.

In the nonprofit sector, the Disabled Resources Center ("DSR") is the major clearinghouse source of information for disabled support services. DSR is an arm of the California Foundation for Independent Living Centers, an organization dedicated "to create positive change by networking and providing support and resources to members in order to promote the Independent Living philosophy through unified action."

For persons unable to live in a primarily independent setting, the City of Rialto complies with the federal Lanterman Developmental Disabilities Services Act. This specifies that State-authorized, certified, or licensed family care homes, foster homes, or group homes serving six or less disabled persons are permitted by right within all residential zones. Rialto has 81 community care facilities serving approximately 650 persons (Chart 2-12).

Chart 2-12: Licensed Community Care Facilities

Licensed Community Care Facilities	Sites and Capacity		Disability			
			Mental	Emotional	Developmental	Non-Ambul
Small Family	7	34	5	12	14	2
Group Home	24	152	6	----	10	---
Adult Residential	34	195	20	----	181	14
Elderly Residential	13	151	----	----	----	71
Adult Day Care	3	115	----	----	115	70
Total	81	647	31	12	320	157

Source: State of California Department of Social Services Community Care Licensing Division, 1999.

1. The specialized care columns are not mutually exclusive.
2. Small family homes provide care to children in licensees' own homes.
3. Group homes provide specialized treatment for persons under age 18.
4. Adult residential facilities provide care for adults with various disabilities or disorders.
5. Elderly residential facilities provide care for persons age 60 and above.

Single Parents.

According to the 1990 Census, Rialto is home to 3,037 single parent households, the majority of which were headed by females with children. Another vulnerable group include "subfamilies", single parent and other families who live with another family. Rialto is home to 1,059 "subfamilies with children". It is reasonable to assume that subfamilies double up to save on housing cost or to share child-rearing responsibilities.

Single parent households typically earn very low income due to lower job skills or because they must stay home to care for their children. Many rely on public assistance to help finance the cost of housing, health services, food, and child care among others. Among female-headed households with children under 18 years old, 36% are in poverty, and among those with children under 5 years old, 5% are living in poverty.

Because of their relatively lower income and higher living expenses, single parent households usually have limited opportunities for finding affordable, decent and safe housing. As a result, many dwell in low-cost, multi-family housing. Aid to Families with Dependent Children (AFDC) represents a major source of public assistance to lower income female-headed families. According to the 1990 Census, approximately 12.5 percent of the Rialto residents received some form of public assistance.

Large Households.

Large households are defined as households with five or more members. The 1990 Census reported that 3,587 large owner-households and 1,424 large renter-households lived in Rialto. These households have special housing needs because of the limited availability of adequately-sized, and affordable housing units. As a result, many may live in overcrowded conditions and in turn, unit deterioration can be accelerated.

According to the 1990 Census, the City had an inventory of 12,277 large size owner-occupied units (with four or more bedrooms), more than adequate to accommodate the 3,587 large owner-households in the City. In addition, the 2,092 renter-occupied units with three or more bedrooms available were enough to accommodate the 1,424 large renter-households. However, the price and accessibility of mortgage financing may limit the availability of these units for large households with low and moderate incomes.

Although there is ample housing stock for large families, the housing may also not be available or priced affordably given the income levels of residents. As shown later, 39% of large families overpay for housing and 76% of lower income large families overpay. Large families also have six times the rate of overcrowding of other households. The high rate of housing problems among large families underscores the need for additional opportunities for family housing that is affordable for larger families.

Homeless Persons.

The 1990 Census one-night survey documented only ten homeless people in emergency shelters and only one homeless person visible in street locations in Rialto. The Rialto Police Department identify two general areas where homeless congregate - along Foothill Boulevard and at the truck stop near Interstate-10. According to City staff and the Police Department, however, Rialto does not have a serious homeless issue.

The homeless population is a diverse group ranging from mentally ill persons who were "deinstitutionalized" from public facilities to families who were forced into homelessness because of a severe economic or social disruption such as the loss of a job or spouse. Single adults usually comprise the majority of the urban homeless population. Among the single adults, there are usually some veterans of military service. Also, persons with HIV/AIDS have become a relatively recent subset of the homeless population.

The City of Rialto actively participates in the County Continuum of Care Plan. This plan consists of bringing homeless people into temporary shelters, providing supportive services, and otherwise assisting homeless people to transition to permanent housing. These phases are briefly described below:

Outreach, Intake and Assessment – designed to reconnect an individual or family to needed support services such as public benefit, rent or utility assistance, employment, counseling, and physical and mental health care.

Shelter Phase – designed to bring homeless persons into emergency shelters and later transitional shelters, where case managers can link them to a network of supportive services.

Permanent Housing – designed to transition homeless persons into permanent housing with child care, drug treatment, job training, and other supportive skills needed to reintegrate into community life.

Most of the County's homeless shelters are located in or near the City of San Bernardino. However, the City funds several agencies which work to prevent homelessness. The City provides funding to San Bernardino County Legal Aid Society to prevent undue evictions that could lead to homelessness. Rialto also provides funding to Option House, a shelter for victims of domestic violence who are also at-risk of becoming homeless.

Rialto is amending its Zoning Ordinance to allow for the siting of emergency shelters and transitional housing in the IP zone (industrial). The allowance of these facilities is pursuant to approval of a conditional use permit.

Farmworkers.

According to the 1990 Census, there are 276 persons employed in the farming, forestry, and fishing occupations. However, the majority of occupations within this category are either gardeners and groundskeepers. In fact, farm-worker labor constitutes only 18 persons, with no nursery workers and no estimated seasonal or migrant farm labor. The low number of farmworkers is due to the lack of farming in that portion of San Bernardino County. Farmworkers are considered to be a special need group due to their very limited income, shortage of affordable housing, and semi-permanent nature of the occupation.

The Zoning Ordinance specifies a Rural Residential Zone and "Agricultural Zone" (A-1) that permits farms or ranches for orchards, tree crops, field crops, nurseries, etc, the raising or training of animals, and commercial poultry and rabbit raising. Also allowed in that zone are the keeping of horses, fowl or other small animals, and other similar animals that are suited to a more rural setting as opposed to a typical subdivision. Presently there is no land designated Rural Residential, but there are 92 acres of A-1 zone land. Due to the relatively few farmworkers, and because the City allows more affordable housing in all lower-density zones, any unmet farm worker housing need can be accommodated.

C. Housing Stock Characteristics

This section of the Housing Element addresses various housing characteristics and conditions that affect the community and their housing needs. Important housing stock issues include the following: housing stock and growth, type of housing available, the tenure and vacancy rates as well as housing age, condition, and housing cost and affordability.

1. Housing Growth

In 1990, the City of Rialto had a total of 23,836 housing units. Between 1980 and 1990, the housing inventory expanded 72%, surpassing the 47% increase Countywide. However, due to the lingering economic recession in southern California communities, the housing inventory in both the City and County increased by only 10% during the 1990-2000 period (Chart 2-13). By 2000, Rialto had a total of 26,327 housing units.

Chart 2-13: Housing Growth Trends

Jurisdiction	No. Homes 1990	No. Homes 2000	Percentage Change
Colton	14,767	15,911	8%
Fontana	29,383	36,504	24%
Rancho Cucamonga	36,367	42,065	16%
Rialto	23,836	26,327	10%
San Bernardino	58,804	64,376	9%
San Bernardino County	542,332	610,317	13%

Source: U.S. Census, 1990 and State Department of Finance, 2000.

Over the next decade, Rialto is anticipated to experience significant housing growth. According to the Southern California Association of Governments, Rialto's population is expected to increase by 40% over the next decade as the Inland economy recovers. In terms of future housing development, much of south and southeast Rialto is built out, as this area is one of the oldest parts of the community. Although scattered vacant sites are in central Rialto, the majority of available vacant land is located in northern Rialto. Later sections of this Housing Element will assess the potential for future development.

2. Housing Type and Tenure

A certain diversity in the housing stock is an important factor in ensuring adequate housing opportunity for Rialto's existing and future residents. A diverse housing stock helps ensure that all households, regardless of their income level, age group, and family size, have the opportunity to find housing that is best suited to their lifestyle needs. Housing type and tenure are briefly discussed below and summarized in Chart 2-14.

The predominant housing type in Rialto is the single-family home, accounting for almost 80% of the City's housing stock. In Rialto, one in five units (20%) are multi-family, which are almost entirely apartments. As of 1990, the Rialto also had a higher owner-occupancy rate of 70% than in the County (63%). Part of this pattern is due to the predominance of single family homes, coupled with affordable housing prices compared to other areas of San Bernardino County. Chart 2-14 summarizes these patterns.

Vacancy rates are an indicator of existing housing need within the community. A certain number of vacant units are needed in any given housing market in order to moderate the cost of housing, allow for sufficient housing choices for residents, and provide an incentive for landlords and owners to maintain and repair their housing. However, too many vacancies lead to rent deflation and declining home values. Therefore, maintaining an optimal number of vacant units is a desirable goal in a community.

Although Rialto has a high owner-occupancy rate, the vacancy rate is also high. In 1990, the vacancy rate was 3.0% for single family homes and 13.5% for multi-family units. This well exceeds the optimal vacancy rates of 1.5-2.0% for single family units, and 5-6% for rental housing, according to the Southern California Association of Governments. Moreover, Rialto's vacancy rate has likely increased significantly, due to the high rate of foreclosures from the Inland recession which are still being absorbed.

Chart 2-14: Housing Composition

Housing Type	1990		2000	
	Number	Percent	Number	Percent
Single-Family Detached	16,393	69%	18,586	71%
Single-Family Attached	419	2%	419	2%
Multi-Family (2-4 units)	2,028	9%	2,026	8%
Multi-Family (5+ units)	3,153	13%	3,402	13%
Mobile Homes	1,843	8%	1,894	7%
Total Housing Units	23,836	100%	26,327	100%
Owned	70%		n.a.	
Vacancy Rate	8.2%		n.a.	

Source: 1990 Census; State Department of Finance, 2000.

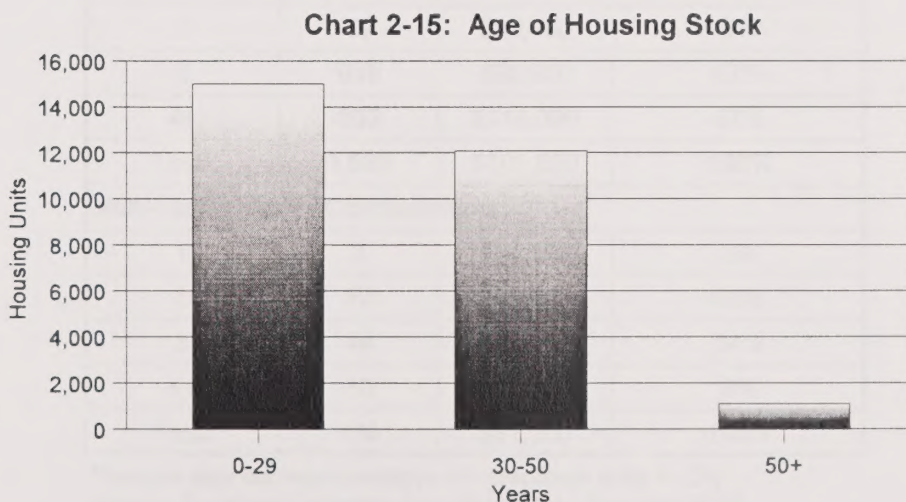
3. Housing Age and Condition

Housing age is an important indicator of housing condition. Like any other tangible asset, housing is subject to gradual deterioration over time. If not regularly maintained, housing can deteriorate. Excess deterioration can depress neighborhood property values, discourage reinvestment, and eventually impact the quality of life in a neighborhood. Thus maintaining the quality of housing is an important goal for Rialto.

The age of housing is often used as an indication of when homes require reinvestment. Most homes begin to show signs of decay when they approach 30 years of age. Common repairs needed include a new roof, wall plaster, painting, and stucco. Older homes with deferred maintenance require more substantial repairs, such as new siding, or plumbing. These older structures also tend to lack proper seismic reinforcement. Chart 2-15 below provides the percentage of homes older than 30 and 50 years old.

According to the 1990 Census, Rialto has a relatively new housing stock, with half of all its housing units built during either the 1980s and 1990s (Chart 2-15). However, approximately one-third of the City's units were built before 1970 and are reaching the age when major repairs are needed. The City's Home Sweet Home and Handy Work Programs offer loans and grants to address home repairs and improvements.

The older residential neighborhoods in Rialto evidence concentrated problems of inadequate seismic reinforcement, and lack of maintenance and repairs. Neighborhoods with large numbers of abandoned properties are of particular concern. The eastern portion has the oldest housing stock, particularly Tract 38 and Tract 39. City staff estimate that approximately 0.5% of the single-family housing stock (104 units) and 1.5% of the multi-family housing stock (81 units) need substantial rehabilitation.



4. Housing Costs and Affordability

The cost of housing is directly related to the extent of housing problems in a community. If housing costs are relatively high in comparison to household income, there will be a correspondingly higher prevalence of overpayment and overcrowding. This section summarizes housing costs for housing in Rialto and evaluates the affordability of the City's housing stock to low and moderate income households.

Housing Prices and Rents.

Rialto's home sales market is generally more affordable than San Bernardino County. According to Dataquick, the median sales price was approximately \$101,500 – which is generally below the median price of homes throughout San Bernardino County. As suggested by employment patterns, the City's large supply of affordable homes has contributed to 30% of Rialto's workforce commuting outside the County for jobs.

The City's housing market was heavily influenced by the real estate crash of the 1990s and has still not recovered. According to Dataquick, the median home prices in Rialto fell from \$111,750 in 1995 to \$101,500 by 1999. Condominiums sell for significantly lower prices (\$51,000), therefore providing for another source of affordable housing. Chart 2-16 summarizes the number of homes sold and the median price in 1999.

Chart 2-16: Home Sales Prices

# of Bedrooms	Units Sold	Median Price	% of Total
Single-Family Homes			
1	4	\$60,000	<1%
2	89	\$80,000	5%
3	939	\$96,000	57%
4+	603	\$115,000	37%
Total	1,635	\$101,500	100%
Multi-Family Homes/Condominiums			
1	3	\$94,500	2%
2	73	\$45,000	56%
3	44	\$59,000	34%
4+	10	\$72,500	8%
Total	130	\$51,000	100%

*Sample size not representative of 1-bedroom units in City.
Source: Southern California Real Estate Co., February 2000.

According to the Census, renter-occupied housing comprises 20 percent of all housing units in the City. The rental market in Rialto consists primarily of apartments, and to a lesser degree townhomes, condominiums, and single-family homes. Chart 2-17 below describes the average and range of rents charged for apartments in Rialto. Information from current rent levels were gathered from an internet survey of 20 complexes in Rialto.

The apartment stock in the City is comprised primarily of one- and two-bedroom units. Current average rents range from \$440 for one-bedroom units to \$662 for three-bedroom units. Within each category, rents can vary significantly depending on the location of the unit and amenities offered. In addition to apartment units, there are also a large number of single-family homes utilized as rentals. These will generally cost more than apartments.

Chart 2-17: Apartment Rents

Unit Type	Average Rent	Range of Rents
Studio	\$412	\$400-\$425
1 bedroom	\$440	\$350-\$525
2 bedroom	\$536	\$425-\$825
3 bedroom	\$662	\$520-\$965

Source: Springstreet.com (2000)

Housing Affordability.

Housing affordability can be inferred by comparing the cost of renting or owning a home in Rialto with the maximum affordable housing cost to households that earn different income levels. Taken together, this information can provide a picture of who can afford what size and type of housing as well as indicate the type of households that would likely experience overcrowding or overpayment.

The Department of Housing and Community Development (HCD) determines income levels based on the HUD's annual determination of the median income for the Riverside - San Bernardino metropolitan area. These income levels are adjusted for differences in the type and size of a family. HCD uses these income levels to determine the maximum amount that a household could pay and their eligibility for housing assistance.

Chart 2-18 shows the annual income for very low, low, and moderate income households by the size of the family and the maximum affordable housing payment based on the federal standard of 30% of household income. Standard housing costs for utilities, taxes, and property insurance are also shown. From these income and housing cost figures, the maximum affordable home price and rent is determined.

Chart 2-18: Housing Affordability Matrix

Income Group	Income Levels		Housing Costs		Maximum Affordable Price	
	Annual Income	Monthly Income	Utilities	Taxes & Ins.	Home	Rental
Very Low						
One Person	\$16,600	\$415	\$50	\$100	\$40,000	\$365
Small Family	\$21,350	\$534	\$100	\$100	\$51,000	\$434
Large Family	\$25,600	\$640	\$150	\$100	\$59,000	\$490
Low						
One Person	\$26,550	\$664	\$50	\$100	\$78,000	\$614
Small Family	\$34,150	\$854	\$100	\$100	\$99,000	\$754
Large Family	\$40,950	\$1,024	\$150	\$100	\$117,000	\$874
Moderate						
One Person	\$39,850	\$996	\$50	\$100	\$128,000	\$946
Small Family	\$51,200	\$1,280	\$100	\$100	\$164,000	\$1,180
Large Family	\$61,450	\$1,536	\$150	\$100	\$195,000	\$1,386

Notations:

1. Small Family = 3 persons; Large Families = 5 or more persons
2. Monthly affordable rent based on payments of no more than 30% of household income
3. Property taxes and insurance based on averages for the region
4. Calculation of affordable home sales price based on a down payment of 10%, annual interest rate of 8%, 30-year mortgage, and monthly payment of gross household income

Affordability by Household Income

Very-low income households in Rialto earn between \$16,600 to \$25,600 depending on the size of the family. Based on financing criteria noted earlier, the maximum affordable home price ranges from \$40,000 to \$59,000. Because the majority of homes exceed \$75,000, single family homes are not a viable option. Furthermore, the down payment requirement of 10% to 20% and closing costs would be particularly burdensome. Therefore, very low income households are typically limited to the rental market.

Although single family homes are not affordable for very low income households, another opportunity for homeownership in Rialto is condominiums. While more limited in number, condominiums present an affordable homeownership opportunity for very low households since the median price is a modest \$51,000. The City could also provide down payment assistance programs as an effective mechanism to transition very low and low income household renters to homeownership.

With respect to rent levels, average apartment rents are: \$412 for a studio unit, \$440 for a one-bedroom unit, \$536 for a two-bedroom unit, and \$662 for a three-bedroom unit. After deductions are taken for utilities, however, a very low income household can only afford to pay \$365 to \$490 in rent per month, depending on the family's size. In practical terms, this means that a one-person household could not afford an average priced studio apartment without either overpayment or doubling up with other roommates.

However, unlike many communities, lower income households can afford an adequately-sized home or apartment. Low income households earn between \$26,500-\$40,950 depending on the family's size. The maximum affordable home price for a lower income household ranges from \$78,000 for one-person to \$117,000 for a five-person family. Based on the sales data presented earlier, low income households of all sizes can afford the median sales price for adequately-sized homes in Rialto.

D. Regional Housing Needs

State law requires all regional councils of governments, including the Southern California Association of Governments (SCAG), to determine the existing and projected housing need for its region (Government Code Section 65580 et. seq.). SCAG is also required to determine the share of future housing need that is allocated to each city and county within the SCAG region. This is called the Regional Housing Needs Assessment (RHNA).

1. Existing Housing Needs

A continuing priority of communities is enhancing or maintaining their quality of life. A key measure of quality of life is the extent of "housing problems." The Department of Housing and Urban Development and SCAG have developed an existing need statement that details the number of households that are paying too much for housing or are living in overcrowded units. These are defined below:

Overcrowding: refers to a housing unit which is occupied by more than one person per room, excluding kitchens, bathrooms, hallways, and porches, as defined by the Federal Government.

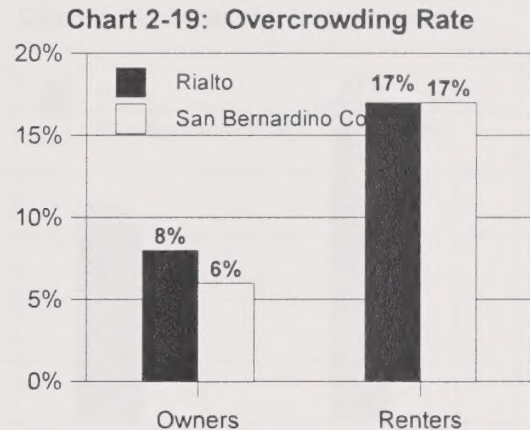
Overpayment: refers to a household paying more than 30% of their gross income for rent (either mortgage or rent), including costs for utilities, property insurance, and real estate taxes as defined by the Federal Government.

Substandard Housing: refers to a housing unit that lacks complete plumbing, a kitchen, or a bathroom. This issue was addressed earlier in the Housing Element under "Housing Age and Condition."

Overcrowding.

Overcrowding occurs when housing costs are so high relative to income that families double-up to devote income to other basic needs of food, medical care, and child care. Unfortunately overcrowding can tend to result in more traffic, accelerated deterioration of homes, and a shortage of on-site parking. Therefore, maintaining a reasonable level of occupancy and alleviating overcrowding is a key contributor to the quality of life.

In 1990, the incidence of overcrowding in Rialto was the same as that in the County, with 10% of the City's households overcrowded, compared to 10% Countywide (Chart 2- 19). Of the City's households, 8% of the City's owner-households and 17% of the City's renter-households were overcrowded. The difference in overcrowding rates among tenure is because renters typically earn significantly less income than homeowners. Overcrowding is concentrated in large families, where 51% of renters and 26% of homeowners are overcrowded (Chart 2-20).



Since the 1990 Census, however, City staff have observed a decline in housing costs. As a result, more families are able to afford adequately-sized units, and extended families that once doubled-up to save on housing costs may be able to afford their own units. In Rialto's Consolidated Plan, City staff indicated that overcrowding was declining. Unlike much of the rest of Southern California, median home sales have continued to decline in Rialto and eastern San Bernardino County. Given the decline of the median home sales price in the City, overcrowding remains a less significant problem than in 1990.

Chart 2-20: Overcrowding by Household Type

Family Type	All Households	Owner Households	Renter Households	Lower Income Households
Total	10%	8%	17%	15%
Seniors	0%	0%	0%	0%
Small Families	5%	3%	12%	12%
Large Families	33%	26%	51%	44%
Others	0%	0%	0%	1%

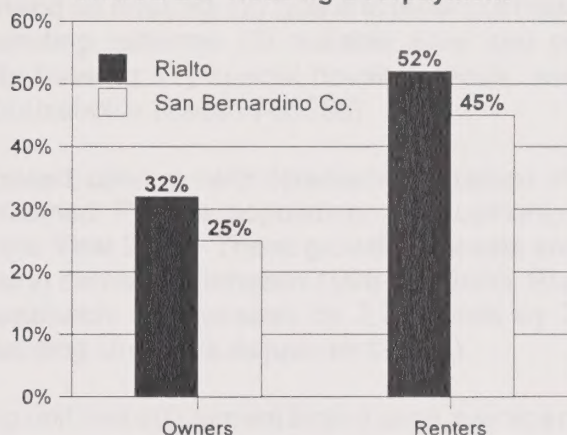
Source: Comprehensive Housing Affordability Strategy 1990

Overpayment.

Like most urban communities in California, it is not uncommon for households to overpay for housing, defined by the Federal Government as paying over 30% of income for housing. However, to the extent that overpayment is disproportionately concentrated among the most vulnerable members of Rialto's community, maintaining a reasonable level of housing cost burden is an important contributor to quality of life.

Household overpayment among Rialto residents is significantly greater than in San Bernardino County (Chart 2-21). Overall, 38% of Rialto residents overpay for housing compared to 32% of County residents. Moreover, overpayment among Rialto renters and owners exceeds the county average. Given the generally more affordable housing in Rialto, these overpayment rates are somewhat high. Given declining home values since 1990, it is unclear whether the high foreclosure rate has impacted overpayment.

Chart 2-21: Housing Overpayment



Housing overpayment affects households of all income levels, age group, or family size. As shown in Chart 2-22, over one-third of each household type overpays for housing. However, certain groups are significantly more vulnerable to housing overpayment. Overpayment appears to be disproportionately concentrated among senior renters (62%), lower income households (65%), as well as large family renters (76%).

Chart 2-22: Overpayment by Household Type

Family Type	All Households	Owner Households	Renter Households	Lower Income Households
Total	38%	32%	52%	65%
Seniors	36%	29%	62%	48%
Small Families	37%	32%	50%	72%
Large Families	39%	34%	55%	76%
Others	40%	38%	45%	65%

Source: Comprehensive Housing Affordability Strategy 1990

2. Future Housing Need

As part of the RHNA, SCAG calculates the region's growth based upon population and employment forecasts. SCAG then allocates a portion of the region's growth to each community. Each community's portion is based upon local growth forecasts, plus a certain amount of units needed to account for a normal and appropriate level of vacancies and the replacement of units that are usually lost to conversion or demolition.

In allocating the region's future housing needs among cities, SCAG is required to consider the following eight issues: (1) market demand for housing; (2) type and tenure of housing; (3) employment opportunities; (4) commuting patterns; (5) suitable sites and public facilities; (6) loss of assisted multi-family housing; (7) special housing needs; and (8) reduction of impact of lower income households (Section 65588)

In 1999, SCAG developed its RHNA based upon growth forecasts contained in the regional transportation plan. This contained Rialto's population, employment, and household forecasts from 1998 through the Year 2005. These growth forecasts are the basis for determining the amount of housing demand. Between 1998 and 2005, Rialto's assigned RHNA assumes that total households will increase by 2,704 units by 2005 (Vacancy Loss Adjustment: -650 and Housing Unit Loss Adjustment: 144).

SCAG then applies a vacancy and housing unit loss adjustment based upon average rates developed for the San Bernardino Association of Governments (SANBAG). The vacancy and housing unit loss adjustment is designed to moderate the growth forecast. SCAG then applies a "fair share" formula to determine the housing units to be affordable to State mandated levels – very low, low, moderate, and upper income.

Chart 2-23 describes Rialto's share of the region's future housing; its total allocation of 2,198 units and the relative breakdown by affordability level. Approximately 37% of the City's future RHNA must be affordable to low and very low income households. How the City will address this requirement is detailed later in the Housing Element.

Chart 2-23: Rialto's RHNA Allocation

Income Group	% of County MFI	Income Threshold	Total Housing Units	Percentage of Units
Very Low	00-50%	< \$23,600	479	22%
Low	51-80%	< \$37,750	330	15%
Moderate	81-120%	< \$56,650	496	22%
Upper	120%+	Above	894	41%
Total			2,199	100%

Source: Southern California Association of Governments (1998)

E. Assisted Housing At-Risk of Conversion

State law requires that all housing elements include an analysis of existing multi-family rental units which are at risk of conversion to market-rate housing during the next ten years due to termination of subsidy contract, mortgage prepayment, or expiring use restrictions. Thus, this “at-risk” analysis covers the period of July 1, 2000 to June 30, 2010. This section identifies publicly assisted rental housing in Rialto, evaluates the potential to convert to non-low income uses, and analyzes the cost to preserve or replace those units. Organizational and financial resources for preservation or replacement are evaluated in Section 4 of the Element, and housing programs to address preservation are included in the Housing Plan (Section 5).

1. Assisted Housing Inventory

Chart 2-24 provides an inventory of Rialto’s publicly assisted multi-family rental housing. This inventory includes all multi-family rental units assisted under federal, state, or local programs, including HUD mortgages, Section 8, and local bond programs. Altogether, Rialto has 339 publicly assisted multi-family units, of which two-thirds are assisted through Section 8, while the remainder are financed through County Mortgage Revenue Bonds.

Chart 2-24: Inventory of Assisted Multi-family Housing

Project Name	Total Units vs. Assisted Units		Assistance Program	Bedroom Count	Earliest Conversion
Southpointe Villa 302 W. Merrill Ave.	99	99	HUD 221(d)(4) Section 8	99 1-bd	June 2000
Willow Village 1150 N. Willow	100	100	HUD 221(d)(4) Section 8	80 2-bdr 20 3-bdr	Section 8 Expired -- on 1-Year Contract with HUD.
Heritage Park Rialto 303 W. Merrill	161	33	County Mortgage Revenue Bond	26 1-bd 7 2-bd	April 2003
Meadowland Apts. 200 S. Linden	347	69	County Mortgage Revenue Bond	20 1-bd 38 2-bd 11 3-bd	August 2000
Quail Pointe Apts. 1651 Riverside	192	38	County Mortgage Revenue Bond	14 1-bd 24 2-bd	June 2014
Total	899	339			

Sources:

1. San Bernardino County, Economic and Community Development Department, April 2000.
2. *Federally Subsidized Housing Units At Risk of Conversion*, California Housing Partnership Corporation, 1991.
3. *The Use of Housing Revenue Bond Proceeds*, California Debt Advisory Commission, 1994.

Of this inventory of rent housing that receives government subsidies, a total of 301 of the 339 housing units are at-risk of converting from subsidized affordable rents to market-rate rents. The potential conversion date varies from 2000 through 2010 as in Chart 2-24. These include projects financed with Section 8 or County Mortgage Revenue Bonds.

- The 100-unit Southpointe Villa and 100-unit Willow Village projects receive project-based Section 8 New Construction contracts. The Section 8 contract for Southpointe Villa will expire in June 2000; but the owner has decided to remain in the HUD Section 8 program. The Section 8 contract for Willow Village has already expired. Currently, HUD is giving the local HUD office the authority to renew these contracts on an annual basis pending funding availability. Although both apartment projects remain under contract in the Section 8 program and have one-year contracts with HUD, these units are considered at risk due to the uncertainty of funding.

HUD provides a Mark-to-Mark program for Section 8 projects seeking renewal. If current contracted rents exceed the FMR, HUD gives favorable tax treatment to property owners in return for preserving their units at affordable rents. For apartments renting at below FMR rates, HUD allows rents to be marked up to comparable market rents, not exceeding 150 percent of the FMR. Given that the two complexes -- Southpointe and Willow Village receive rents 30% above the prevailing market rents in Rialto, both complexes have little incentive to convert to market rates. If the FMR was below market rents, they would have an incentive to convert.

- State, County, and local governments have the authority to issue tax-exempt mortgage revenue bonds to finance the construction of affordable housing within a community. Mortgage revenue bonds have a distinct advantage over other financing mechanisms, in that they result in financing approximately 1.5% to 2.0% below conventional interest financing rates. State and federal law require that multi-family projects built with tax-exempt bond proceeds set-aside a portion of units as affordable to lower-income households for a specified period of time. The typical contractual period is 10 to 15 years. After the term expires, the property owners may rent the units at market rates.

Three housing projects were constructed with County mortgage revenue bonds. These include the 161-unit Heritage Park Rialto, 192-unit Quail Pointe, and the 346-unit Meadowlands apartment projects. In exchange for the bond-financing, the projects are required to set aside 20 percent of the units for low and moderate income uses for ten years. With the expiring affordability requirements for Heritage Park and Meadowlands, these assisted units may be at risk. The County monitors these units and aggressively pursues bond refinancing in order to extend the low income use restrictions.

2. Preservation and Replacement Options

Preservation and replacement of at-risk projects can be achieved in several ways: 1) transfer of ownership to non-profit organizations; 2) provision of rental assistance to tenants using other funding sources; 3) replacement or development of new assisted multi-family units; 4) purchase of affordability covenants; and/or 5) refinance of mortgage revenue bonds. These are described below, along with a general cost estimate for each.

Option #1: Transfer of Ownership:

Transferring ownership of the at-risk projects to non-profit organizations is perhaps the least costly way to ensure long-term affordability of the units. By transferring ownership, low income use restrictions can be secured indefinitely and projects would become available for a greater range of governmental assistance. The feasibility of this option depends on the willingness of the owner to sell the project, the existence of non-profit corporations with sufficient administrative capacity, and the availability of funding.

In Rialto, for-profit developers own all four at-risk apartment projects. The estimated market value for the affordable units in the at-risk projects is evaluated in Chart 2-25. Current market value for the four at-risk projects can be estimated on the basis of each project's potential annual income, operating, and maintenance expenses. The current market value for the at-risk units is estimated at \$10 million.

Chart 2-25: Market Value of At-Risk Projects

Project Units	Southpointe Villa	Willow Village	Heritage Park	Meadow-lands	Total
0-bdrm	0	0	0	0	0
1-bdrm	99	0	26	20	145
2-bdrm	0	80	7	38	125
3-bdrm	0	20	0	11	31
Total	99	100	33	69	301
Annual Operating Costs	(\$237,600)	(\$360,000)	(\$87,600)	(\$224,400)	(\$909,600)
Gross Annual Income	\$522,720	\$673,440	\$182,304	\$437,400	\$1,815,864
Net Annual Income	\$285,120	\$313,440	\$94,704	\$213,000	\$906,264
Market Value	\$3,136,320	\$3,447,840	\$1,041,744	\$2,343,000	\$9,968,904

Market value for each project is estimated with the following assumptions:

1. Median rents - studios (\$412), 1-bedroom (\$440), 2-bedroom (\$536), 3-bedroom (\$662).
2. Average size for a studio = 500 sqft, 1-bedroom=600 sqft., 2- and 3-bedroom=900 sqft.
3. Vacancy rate 5%
4. Annual operating expenses per square foot = \$4.00
5. Market value = Annual net project income * multiplication factor
6. Multiplication factor for a building in moderate condition = 11

Option #2: Rental Assistance:

Currently, the availability of funding for Section 8 contract renewal is uncertain. Rent subsidies can be used to maintain affordability at these projects using State, local, or other funding sources. Rent subsidies can be structured to mirror the Section 8 program, where HUD pays owners the difference between what tenants can afford (defined as 30% of household income) and what HUD and the Housing Authority estimate to be the Fair Market Rent (FMR). This program can be implemented through vouchers, which allow the tenants to choose where they want to live.

The feasibility of this alternative, in the case of the property owners, depends on their willingness to accept rental vouchers. In terms of cost-effectiveness, rental subsidies are less costly than constructing new assisted housing, as shown in Chart 2-26. Given the bedroom mix of at-risk units, the cost of subsidizing the rents is \$39,230 per month or \$470,760 annually, translating to \$9.4 million in subsidies over a 20-year period. The feasibility of this alternative for the community, however, depends significantly on the availability of local funds, and therefore may not be a feasible option.

Chart 2-26: Rent Subsidies Required

Unit Size	Total Units	Fair Market Rents	County MFI = Very Low	Affordable Cost (30% MFI)	Cost of Utilities	Per Unit Subsidy	Monthly Subsidy
0-bdrm	0	\$439	\$16,500 for 1 person	\$413	\$50	\$77	\$0
1-bdrm	125	\$489	\$18,900 2 persons	\$4,725	\$50	(\$4,186)	(\$523,256)
2-bdrm	145	\$597	\$21,250 3 persons	\$5,313	\$75	(\$4,641)	(\$672,883)
3-bdrm	31	\$829	\$23,600 4 persons	\$5,900	\$100	(\$4,971)	(\$154,104)
4-bdrm	0	\$980	\$25,500 5 persons	\$6,375	\$100	(\$5,295)	\$0
Total	301						(\$1,350,244)

Option #3: Construction of Replacement Units

The construction of new low income housing units can be a means to replace at-risk units. The cost of developing housing depends upon density, size of the units, location, land costs, and type of construction. The average development cost for a two-bedroom rental unit in the region is approximately \$85,000. However, when land costs are added, the costs of producing multi-family housing is higher. Residential land costs for an acre of multi-family zoned land in Rialto start around \$100,000 (with utilities in place). Assuming a density of 20 units/acre, land costs are \$5,000 and higher per multi-family unit.

Using the average per unit construction cost of \$85,000 and land cost of \$5,000, it would cost \$27 million to replace the 301 at risk units. This amount is substantially higher than the estimated \$10 million preservation cost under a transfer of ownership scenario and 20 years worth of rent subsidies at approximately \$9.4 million. Another constraint to the replacement of at-risk units is the limited availability of sites for multi-family development and the need to assemble parcels.

Option #4: Purchase of Affordability Covenants

Another option to preserve the affordability of at-risk projects is to provide an incentive package to the owners to maintain the projects as low income housing. Incentives could include writing down the interest rate on the remaining loan balance, and/or supplementing the Section 8 subsidy received to market levels. The feasibility of this option depends on whether the complexes require rehabilitation or are too highly leveraged. By providing lump sum financial incentives or on-going subsidies in rents or reduced mortgage interest rates to the owner, the City can ensure that some or all of the units remain affordable.

Option #5: Refinancing of County Mortgage Revenue Bonds

The most likely option to preserve the low income use restriction of the 33 bond-financed units in Heritage Park Rialto and the 69 bond-financed units in the Meadowland Apartments is to refinance the mortgage revenue bonds that were issued to the owners. If refinanced, the projects would be required by the 1986 Tax Reform Act to commit their 20% low income units for the greater of 15 years or as long as the bonds are outstanding.

Because these bonds are County Mortgage Revenue Bonds, the refinancing of these bonds is a more limited preservation option. However, the City can encourage the County to negotiate with the project owners to refinance the bonds. The costs to the County to refinance the bond include the difference in interest rates on the remaining debt between the previous and re-negotiated bonds, an issuance cost of 3% of the bond to be paid by the County up front, and administrative costs. Property owners may not have a financial incentive to refinance unless bond interest rates are well below rates on the initial bonds, and are combined with other incentives. Therefore, property owners prefer to sell the property, seek refinancing from private lenders, and opt out of affordability controls.

Cost Comparison.

Ownership transfer usually involves the project in its entirety. As mentioned previously, only 20% of the units in Heritage Park Rialto and the Meadowland Apartments are restricted to low income use. Given this, it is highly unlikely that these projects will be transferred to non-profits or public ownership. The other two at-risk projects are owned by for-profit corporations, but all units are currently restricted to low income use. These projects are potential candidates for a transfer of ownership to a non-profit(s) assuming that there is interest on the part of the project owners and non-profit corporations.

While the annual costs of providing rent subsidies required to preserve the 301 assisted units are relatively low, long-term affordability of the units cannot be ensured. Other financial incentives may also be necessary to make the negotiation packages more attractive to property owners for them to accept rent subsidies. The total costs of new construction to replace at-risk units is much higher than the costs of associated with the different preservation options presented above, and is compounded by the limited supply of vacant land for multi-family residential uses.

Refinancing the existing bonds is probably the least costly means to preserve the two at-risk bond-financed projects: Heritage Park Rialto and the Meadowland Apartments. However, the project owners may choose to opt out of mortgage revenue bond assistance by securing financing from private lenders. In addition, since the mortgage revenue bonds for these projects were issued by the County of San Bernardino, the County is ultimately responsible for the decision to refinance these bonds. However, the City can work with the County to encourage this course of action.

City of Rialto Housing Element
Housing Constraints



3. HOUSING CONSTRAINTS

The provision of adequate and affordable housing opportunities is an important goal of Rialto. However, there are a variety of factors that can encourage or constrain the development, maintenance, and improvement of the housing stock within the City. These include government codes, market mechanisms, physical, and environmental constraints. This section addresses potential market, governmental, and environmental constraints.

A. Market Constraints

Land costs, construction costs, and market financing contribute to the cost of housing reinvestment, and may hinder the production of housing, including affordable housing. Although many of these potential constraints are driven by market conditions, jurisdictions have some leverage in instituting policies and programs to addressing these constraints. This section analyzes these constraints as well as the activities that a jurisdiction can take. Later sections of this Element will contain specific policies and programs to address constraints.

1. Development Costs

Construction costs vary widely according to the type of development, with multi-family housing less expensive to construct than single family homes. However, there is wide variation within each construction type depending on the size of unit and the number and quality of amenities provided, such as fireplaces, pools, and interior fixtures. Land costs depend on whether the site is vacant or has an existing use which must be removed.

The single largest cost associated with building a new house is building materials, comprising between 40% to 50% of the sales price. As of 1999, construction costs for wood frame, single-family homes of average to good quality range from \$45 to \$60 per square foot; custom homes and units with extra amenities run higher. Costs for wood frame, multi-family construction average \$45 per square foot, exclusive of parking.

A reduction in amenities could result in lower construction costs and in sales prices. In addition, prefabricated factory-built housing may provide for lower priced housing by reducing construction and labor costs. Another factor related to construction costs is the number of housing units built at one time. As the number of housing unit built at one time increases, overall costs decrease as builders can benefit from economies of scale.

Land is perhaps the major variable cost component in producing new housing. Local realtors indicate that an 8,000 sq.ft. R-1 vacant lot costs from \$10,000 to \$15,000, and undeveloped R-3 land costs \$100,000 and up per acre. As a general rule, a finished single-family lot costing more than 25%+ of the selling price of the home may render the development infeasible. The City can support affordable housing by writing-down the cost of land on Agency-owned property in exchange for affordability controls.

2. Home Financing

The availability of financing affects a person's ability to purchase or improve a home. Homeowners looking for opportunities to improve their home must consider the interest rate (variable or fixed), the type of lender (conventional or government), as well as their overall return on investment. Therefore, the availability of financing affects a homeowner or landlords decision to make investments in their housing.

Interest Rates

Interest rates substantially impact the ability to construct, purchase or improve a home. For instance, the median home price in Rialto was \$101,500 during 1999. Assume a 10% down payment, 30 year mortgage, and standard deductions for utilities, property taxes, and home insurance. If the interest rate varies from 7.5% to 10%, the annual income needed to qualify for a loan varies from \$36,500 to \$43,100. Interest rates can therefore make an otherwise affordable home unaffordable. This is especially true today, with the Federal Bank gradually raising interest rates to slow the economy. Although interest rates are national and beyond local control, cities can provide downpayment assistance to make homes more affordable to lower income households.

Availability of Financing

The availability of financing affects a household's ability to purchase or improve a home. Under the Home Mortgage Disclosure Act (HMDA), lending institutions are required to disclose information on the disposition of loan applications for home purchases and improvements, whether financed at market rates or through government assistance. Chart 3-1 shows the percentage of loans that were "approved," "denied," or listed as "other", which indicates that the loans were withdrawn by the applicant or were incomplete.

Home Purchase Loans. During 1998, 2,276 households applied for home purchase loans in Rialto. Of that total, two-thirds applied for government assisted loans; one-third applied for conventional loans. The unusually large share of government-assisted loans in Rialto is due to an agreement signed with HUD and the City of Rialto. Under this agreement, HUD is assisting the City of Rialto in underwriting the sale of the large inventory of vacant and foreclosed homes left over from the Inland economic recession.

Denial rates vary by the income of the household. For conventionally-financed loans, the denial rate declined from 40% for lower income households, to 27% for moderate income households, to 21% for upper income households. Government-assisted loans have a much lower denial rate and the rate varies little with household income. The denial rate is approximately 12% overall, with slight differences among income groups.

Home Improvement Loans. According to 1998 HMDA data, a total of 721 applications for home improvement loans were submitted in Rialto. Of his total, approximately two-thirds of the applicants applied for conventional financing; one-third of the applicants applied for government assisted loans. The overall approval rates for conventional and government-assisted loans were relatively the same: 43% and 38% respectively. This approval rate is similar to many other jurisdictions throughout the region.

The approval rates for home improvement loans also varied somewhat by income. Among the 480 conventional home improvement loan applications, the approval rate increased from 32% among lower income households, to 41% among moderate income households, to a peak of 54% among higher income households. For government-assisted loans, moderate income households had a lower approval rate than lower income households, but upper income households had the highest approval rate.

Chart 3-1: Disposition of Home Loans

Home Purchases

Applicant Income	Conventional				Government-Assisted			
	Total	Approved	Denied	Other	Total	Approved	Denied	Other
Lower	236	52%	40%	8%	764	79%	13%	8%
Moderate	198	63%	27%	10%	469	81%	11%	8%
Upper	250	63%	21%	16%	192	74%	12%	14%
N.A.	83	42%	23%	35%	84	63%	10%	27%
Total	767	57%	29%	14%	1,509	73%	12%	15%

Home Improvements

Applicant Income	Conventional				Government-Assisted			
	Total	Approved	Denied	Other	Total	Approved	Denied	Other
Lower	149	32%	54%	14%	69	38%	49%	13%
Moderate	150	41%	55%	4%	100	35%	56%	9%
Upper	167	54%	40%	7%	67	43%	45%	12%
N.A.	14	36%	50%	14%	5	20%	60%	20%
Total	480	43%	49%	8%	241	38%	51%	11%

Source: Home Mortgage Disclosure Act (HMDA) data, 1998.

B. Governmental Constraints

Local policies and regulations can impact the price and availability of housing and in particular, the provision of affordable housing. Land use controls, site improvement requirements, fees and exactions, permit processing procedures, and other issues may represent potential constraints to the maintenance, development and improvement of housing. This section discusses potential governmental constraints for housing in Rialto.

1. Land Use Controls

The Land Use Element of Rialto's General Plan sets forth policies for guiding local development. These policies, together with existing zoning regulations, establish the amount and distribution of land to be allocated for different uses within the City. In Rialto, over 45 percent of the acreage within the General Plan Area (which includes the City's Sphere of Influence) is designated for residential use. Chart 3-2 below details major land use categories, their density levels, and types of homes permitted.

Chart 3-2: Residential Land Use Categories

General Plan Land Use Category	Zoning Designation(s)	Density (du/ac)	Residential Type(s)
Low Density			
Planned Residential Development	PRD-D	0-3	Detached planned residential
Agriculture	A-1	1.0	Detached single-family dwelling on large agricultural lot
Single Family Residential	R-1 A-10,000	2.5	Single-family homes on moderately large lots
Medium Density			
Planned Residential Development	PRD-D	3-6	Detached planned residential
Single Family Residential	R-1A, R-1B, R-1C	3.7-3.9	Single family homes on standard urban lots
Medium High Density			
Planned Residential Development	PRD-A	6-12	Apartments, duplexes or cluster developments
Mobile Home Development	MHD	6-7	Mobile homes
High Density			
Planned Residential Development -	PRD-A	13-18	Apartments
Multi-Family Residential	R-3, R-4	16-21	Apartments, condos, and single-family

Source: Land Use Element, City of Rialto General Plan, 1992.
Rialto Municipal Zoning Code, 1997

2. Residential Development Standards

The City of Rialto regulates the type, location, density, and scale of residential development primarily through the Zoning Ordinance. Zoning regulations are designed to protect and promote the health, safety, and general welfare of residents as well as implement the policies of the City's General Plan. The Zoning Ordinance also serves to preserve the character and integrity of existing neighborhoods.

The Zoning Ordinance sets forth the City specific residential development standards. These include density, lot area, coverage, height, and parking, which are described in detail below. The Specific Plan areas also have their own residential development standards. Chart 3-3 below summarizes the most pertinent development standards of the non-Specific Plan areas of the City of Rialto.

Chart 3-3: Residential Development Standards

Development Standard	General Plan Land Use Category						
	Low Density		Medium Density	High Density		Planned Residential	
	A-1	A-10,000	R-1A to 1C	R-3	R-4	PRD-A	PRD-D
Maximum Density (du/ac)	2.0	2.5	3.7-3.9	16.0	21.0	12.0 ⁽¹⁾	*
Minimum lot area (sq. ft.)	43,560	10,000	7,700-8,400	8,000	7,200	1 ac	10 ac
Minimum lot dimension	120 X 100	100 X 100	75 X 100	80 X 100	60 X 100	NA	NA
Front yard (ft.)	25	25	25	15	15	25	25
Side yard (ft.)	5	5	5	5	5	15	15
Rear yard (ft.)	20	20	20	15	15	10	10
Maximum lot coverage (%)	35	35	35	NA	60	35	35
Maximum bldg (stories)	2.5	2.5	2.5	3	6	3	2.5
Min. dwelling size (sq. ft.)	NA	1,620	1,440 1,260 1,000	1,200SF 600-MF	800SF 600MF	**	1,200
Parking Req. (space/unit)	2	2	2	2	2	2	2

Source: Rialto Municipal Zoning Code, 1997

1. Homes may qualify for an additional density bonus of 2 du/ac for passive solar design and 2 du/ac for excellence in design, resulting in an additional 4 du/ac or total permitted density of 16 du/ac

*Designated in adopted community general plan for PRD-D

**Bachelor=650; 1-bdrm=750; 2-bdrm=900; 3-bdrm=1,100; 4-bdrm=1,300 square feet

Site Requirements.

Site requirements affect the amount of development on a particular lot. As shown in Chart 3-2, permitted densities range from a maximum of 3 units/acre in low density zones, to a maximum of 6 units/acre in medium density zones, to 12 units/acre in medium-high density zones, and to 21 units/acre in high density multi-family zones. Density bonuses can also allow an additional 25% more units than permitted by the basic zone. In addition, developments in the PRD-A zone can receive a 2 unit density bonus for energy conservation and 2 units for excellence in design for a total of 4 additional units/acre.

With respect to other standards, the open space and yard requirements, minimum lot sizes and dimensions, maximum building stories, and minimum dwelling sizes can limit the number of housing units built. However, each of the residential development standards present thresholds which are common to many jurisdictions in eastern San Bernardino County and therefore are not constraints to the development of housing, including affordable housing. Developments have been able to achieve maximum densities.

The City's parking standards are designed to ensure that sufficient on-site parking is available to accommodate demands associated with different land uses. Currently, two garage spaces are required for single-family homes, with additional parking available in the driveways. In multi-family areas, one covered space and one open space (two total) are required plus an additional space for guests for every 10 units. For senior housing, the requirement is reduced to 0.75 spaces per unit plus standard guest parking. Thus, the parking requirements are tiered depending on the particular housing use.

In evaluating parking space requirements, City staff indicate that many older apartments built prior to the two-space requirement currently suffer from inadequate parking. Coupled with overcrowding in rental units, the lower parking standards that were required at that time have resulted in significant on-street parking problems as well as associated problems with traffic and public safety. Therefore, the City has enacted a higher standard for parking. It should be noted, however, that developers in Rialto have not indicated that this requirement constraints their ability to achieve maximum densities in their projects.

Flexibility in Development Standards.

In addition to regulating land uses by zoning and the General Plan, the City of Rialto has adopted four Specific Plans. Specific Plans provide added flexibility from residential development standards established within the Zoning Ordinance. The purpose of the Specific Plans is to provide focused planning and development standards tailored to the unique characteristics or purpose of a particular area of Rialto. The City has two Specific Plans with residential components: the Downtown and Northwest Specific Plans.

The Downtown Specific Plan is designed with the goal of restoring economic vitality to the historic heart of the City. Increased residential densities are permitted in this Specific Plan area to help create a more viable market for commercial activity. For single-family developments, the Single Family Residential Zone permits 3.9 units per acre. For multi-family developments, the Multi-Family Residential Zone permits 16 units per acre, while the Increased Density Residential Zone (R-X) provides for up to 21 units per acre.

The Northwest Specific Plan includes over six square miles of land north of Riverside Avenue, and is primarily located in the City's Sphere of Influence. This specific plan area contains the highest proportion of vacant land of any of the City's six sectors. The Northwest Specific Plan area has a distinct residential land use category for single-family residential developments --the R-6,000 Zone. This zone permits single-family housing at a five units per acre, with a minimum lot size of 6,000 square feet.

In addition to Specific Plans, the Planned Residential Development District (PRD-D) is a zoning category intended to control the design of detached planned residential development, including but not limited to cluster housing and to develop standards, procedures and guidelines to provide a more flexible method whereby sufficiently large and properly located land areas can be developed, employing more innovative and imaginative land planning concepts than under the R-1 zoning requirements.

A separate PRD District also addresses multi-family housing. The Planned Residential Development District (PRD-A) is a zoning category intended to provide for more flexible and innovative design in planning for attached housing such as condominiums, apartments, and cluster housing. Although the maximum permitted density for PRD-A is 12 units per acre, the zone allows for density bonuses of 2 units per acre for design excellence, and an additional 2 units per acre for passive solar energy saving design.

Overall Rialto's development standards do not appear to unduly constrain development. This is especially the case given the modest cost of housing in comparison to other communities in San Bernardino County. Nonetheless, to ensure that development standards do not hinder the production of affordable housing, the City does have a history of offering increased densities, reduced minimum unit sizes, reduced parking standards, and other incentives to encourage the production of multi-family senior citizen housing.

3. Provisions for a Variety of Housing Types

Housing element law specifies that jurisdictions must identify adequate sites to be made available through appropriate zoning and development standards to encourage the development of various types of housing for all economic segments of the population. This includes single family and multi-family housing, factory-built housing, mobile homes, emergency shelters and transitional housing among others. Chart 3-4 summarizes the housing types that are permitted within Rialto's primary residential zone districts.

Chart 3-4: Housing Types Permitted in Residential Zones

Density Levels	Low		Medium		High	Planned Residential	
Housing Types Permitted	A-1	A-10,000	R-1A to-1C	MHD*	R-3 / R-4	PRD-A	RPD-D
Residential Uses							
Single-family	✓	✓	✓		✓		✓
Duplex (2 units)					✓	✓	✓
Multi-Family					✓	✓	
Factory Built	✓	✓	✓		✓		
Mobile homes	c			✓	c		
Second Units	c	c	c		c		c
Special Need Housing							
Transitional housing**							
Emergency shelters**							
Res. Care Facilities			✓		✓		
Boarding house					✓		

Source: Rialto Municipal Zoning Code, 1997

*Mobile Home Development Zone

**Emergency shelters and transitional housing are permitted in the City's industrial park zones pursuant to a conditional use permit

✓ = Permitted by Right

c = Conditionally Permitted

Residential Uses Other than Single Family Homes.

Besides single family housing opportunities, Rialto offers a range of housing opportunities that are affordable and available for all economic segments of the community. These homes are available to persons earning lower income, seniors, the homeless, disabled persons, and other more vulnerable members of the community.

Multi-Family Housing: Multi-family housing comprises 22% of the City housing stock. Rialto's Zoning Ordinance provides for multi-family housing in higher density zones. The maximum residential densities in each zone range from 16 to 21 units per acre. Achievable densities may be increased further through density bonuses or application for reduced minimum unit sizes and parking standards. Taken together, the provision of multi-family housing facilitates the availability of lower cost housing opportunities.

Second Units: Second units are permitted in all residential zones pursuant to a CUP, except mobile and trailer units. The owner of the second unit shall live within one of the residential units on the property, but may rent the unit without occupancy limitations. The second unit must meet the minimum setbacks, lot coverage, height restrictions, and other development standards for the primary residence unit. One off-street parking space must be provided on the same lot as the second unit for sole use of the second unit.

Mobile Homes. Rialto currently has approximately 1,900 mobile homes in 14 parks. All land occupied by mobile homes has been rezoned to MHD (Mobilehome Development Zone) in order to protect these parks from conversion to other uses. This zone was created to provide for an alternative type of residential accommodation for persons who desire a dwelling other than a conventional single or multi-family dwelling. The zone also provides greater diversity in housing choices, types and prices. Moreover, Rialto has adopted a mobilehome rent control ordinance to further promote affordability.

Residential Care Facilities. The Zoning Ordinance provides for board and care facilities for the aged, convalescent and nursing facilities, homes for the mentally disabled, developmentally disabled, or other group living situations. Rialto complies with the Lanterman Developmental Disabilities Services Act by allowing by right State-authorized, certified, or licensed family care homes, foster homes, or group homes serving six or less disabled persons in all residential zones. Rialto has 81 facilities serving 650 persons

Homeless Shelters and Transitional Housing. Emergency shelters provide short-term shelter for homeless persons. Transitional housing provides longer term housing (up to 2 years), coupled with job training, counseling, and other supportive services for persons who are transitioning to permanent housing. Emergency shelters and transitional housing are part of the regional continuum of care to address homeless needs. The Zoning Ordinance will provide for emergency homeless shelters and transitional housing in the IP or Industrial Park Zone, subject to approval of a conditional use permit.

4. Development Permit Procedures

Development permit procedures are designed to ensure that residential development proceeds in an orderly manner so as to ensure the public's health, safety, comfort, convenience, and general welfare. However, the City can encourage needed reinvestment in housing by streamlining the time and uncertainty involved in the development review process. This section outlines the permit procedures in Rialto.

State law requires communities work toward improving the efficiency of their building permit and review processes by providing "one-stop" processing, thereby eliminating the unnecessary duplication of effort. The Permit Streamlining Act helped reduce governmental delays by limiting processing time in most cases to one year and requiring agencies to specify the information needed to complete an acceptable application. The City makes available a procedural guide for submitting proposed projects.

The Planning staff are actively involved in maintaining an efficient permit processing. Chart 3-5 summarizes the approximate time frames for development review.

Chart 3-5: Development Review Time Frames

Residential Type	Precise Plan of Design	Building Permit Process	Variances or Discretionary Permit	Planning Commission Review
Single Family	1 month	1 month	1 to 3 months	3 months - (CEQA) 1 mo. (No-CEQA)
Multi-family	1 month	1 month	1 to 3 months	3 months CEQA 1 mo (No-CEQA)

Source: City Staff

Because of the rapid growth experienced in Rialto, the City requires a Precise Plan of Design (PPD) to be approved by the City's Development Review Committee prior to issuance of any building permit for the new construction of housing or for new development or expansion of an existing use in a Commercial, Industrial or an AP-Overlay Zone. The purpose of the Precise Plan is to promote an orderly and aesthetically pleasing environment and to ensure that development complies with all City ordinances and regulations. This process is similar to the plan check process.

A precise plan of design application to construct a single-or multi-family home takes three weeks to process. Additional time is needed to review grading plans, building plan checks, etc. Generally, this process takes two months. Complex projects involving a general plan amendment, zone change, subdivision or conditional development permit, or entitlement may take longer to process. For example, a development project with a zone change would require four months. Nonetheless, many of these processes can occur simultaneously, reducing the time associated with consecutive approvals.

5. Building Codes and Enforcement

The City of Rialto has adopted the Uniform Building Code, which establishes standards and requires inspections at various stages of construction to ensure code compliance. The City's building code also requires new residential construction to comply with the federal ADA, which specifies that a minimum percentage of dwelling units in new developments must be fully accessible to the physically disabled. Although these standards increase housing production costs and may impact the viability of rehabilitation of older properties which must comply to current code standards, the intent of the codes is to provide structurally sound, safe, and energy-efficient housing.

The City's Code Enforcement Division is responsible for enforcing both State and City regulations governing maintenance of all buildings and property. Approximately 100 complaints are received per month, depending on the time of the year. Complaints typically include building maintenance, property maintenance, and inoperative vehicles. In addition to inhabited housing, City staff engage in emergency nuisance abatement action against vacant buildings. Approximately 70% of these buildings belong to banks or HUD, left vacant due to foreclosure on government-backed loans.

6. Site Improvements

Site improvements are an important component of new development and include water, sewer, circulation, and other infrastructure needed to make development feasible. The City of Rialto requires developers of larger tracts to pay off-site extension of the water, sewer and storm drain systems, traffic signals, and other needed infrastructure. Developers must construct all internal streets, sidewalks, curb, gutter, and affected portions of off-street arterials. The City also requires landscaping along arterials. New residential construction will either occur as infill, where infrastructure is already in place, or in undeveloped areas, where adequate public services and facilities will be required.

Requiring developers to construct site improvements, pay toward other infrastructure costs, or provide public services and utility systems will increase the cost of housing. While these impact affordability, these requirements are deemed necessary to maintain quality of life desired by City residents, and are consistent with the City's General Plan goals to ensure that public services and facilities are in place at the time of need, thus avoiding the overloading existing urban service systems. These requirements are common for all communities throughout the region, fiscally prudent, and therefore are not considered to be a constraint to housing development.

7. Fees and Exactions

The City of Rialto collects fees and exactions from developments to cover the costs of processing permits and providing the necessary services and infrastructure related to new development. Fees are calculated based on the average cost of processing a particular type of case. The City performs a full cost analysis annually to update user fees for streamlined processes and other changes in services offered. Chart 3-6 is a listing summarizing planning, development, and other fees charged for development.

Chart 3-6: Development Review Fees

Development Services	Single-Family Units	Multi-Family Units
Zone Change Review	\$2,650	\$2,650
Development Agreement	(City Cost) \$3,000 Deposit	(City Cost) \$3,000 Deposit
General Plan Amendment	\$3,005	\$3,005
Specific Plan Amendment Review	City Cost (\$2,500 Deposit)	City Cost (\$2,500 Deposit)
Minor Use Permit	\$140	\$140
Minor Variance Review (No PublicHearing)	\$500	\$500
Major Variance Review (Public Hearing)	\$1,400	\$1,400
Tentative Tract Map Review	\$1,760 plus \$35.00/lot	\$1,760 plus \$35.00/lot
Precise Plan of Design - Small	\$1,070	\$1,070
Precise Plan of Design - Large	\$1,960	\$1,960
Environmental Assessment Review	\$1,000	\$1,000
Impact Fees		
Storm Drain Fee*	\$837-\$1,887/unit	\$299-\$673/unit
Park Development*	\$2,464/unit:	\$1,967/unit
School Fees	\$1.93 per sq.ft. of habitable space	

Source: Department of Development Services, City of Rialto, 1999

*Comparison of Development Impact Fees, Willdan Associates, 1997

HOUSING ELEMENT

The City also assesses impact fees to offset the cost of providing public services such as streets, water, sewage treatment and disposal, storm drainage, police and fire protection, libraries, landscaping, traffic control, and so forth. In assessing whether developer fees/exactions are a constraint to housing reinvestment, two general rules of thumb apply: first, whether the fee is reasonably related to the development impact; and second, whether the fee is reasonable in comparison to surrounding cities.

State law requires that all development impact fees must have a substantial nexus to the residential development and that the dedication of land or fees be proportional to its impact. Like all communities, Rialto is required to abide by State law with respect to fees and exactions and thus the City's impact fees are assumed in compliance with State law. With respect to the second criteria, however, the City's impact fees on single family homes, although a substantial portion of development, are lower than other Inland Empire cities, according to a 1997 study by Willdan Associates (Chart 3-7).

Rialto's development impact fees for multi-family projects are quite competitive. The City's impact fee is \$6,546 per unit for multi-family development is noticeably lower than the average of \$8,187 for all dozen cities surveyed. The same observation is true for single-family development impact fees. In addition, the City allows deferral of certain development fees until prior to issuance of the certificate of occupancy or eighteen months after issuance of building permits, whichever time is shorter. Because impact fees are lower in Rialto than many cities and because the fee deferral provision reduces housing costs, impact fees are not a constraint to residential development.

Chart 3-7: Development Impact Fee Survey

Jurisdiction	Single-Family Residential	Multi-Family Residential
Redlands	\$15,947	\$12,048
Rancho Cucamonga	\$15,260	\$9,094
Fontana	\$13,618	\$10,526
Loma Linda	\$12,934	\$9,957
Chino	\$11,316	\$7,856
San Bernardino	\$9,707	\$6,586
Rialto	\$9,602	\$6,546
Riverside	\$9,308	\$7,195
Colton	\$8,820	\$7,135
Upland	\$8,671	\$7,888
Ontario	\$6,882	\$5,244
Average	\$11,103	\$8,187

Source: Willdan Associates, 1997.

C. Environmental Constraints

Rialto has several environmental constraints that affect potential development. These constraints are due to heightened seismic activity, noise levels in excess of 65 CNEL, mineral extraction facilities, archaeological resources, and other constraints which preclude or restrict the development of housing. This section briefly outlines these constraints. A detailed discussion is included in the City's adopted 1992 General Plan.

Seismic Activity: The majority of vacant land in Rialto is located in the northern most part. However, that area also has significant geologic hazards -- namely faults. Three faults run through the area -- the San Jacinto, Glen Helen, and Lytle Creek faults. The San Jacinto Fault is considered to be one of the most active in Southern California. The California Division of Mines and Geology has thus designated this fault system as one of the California's Alquist-Priolo Special Studies Zones.

Noise Levels: Future residential development must consider noise contours. The only areas of the City that will experience noise in excess of 70 CNEL are along the 10 Freeway, Riverside Avenue and Route 30. Residential development is clearly incompatible and future development should therefore generally not be undertaken. However, areas along other principal arterials could experience noise above 65 CNEL. Exterior mitigation through site design or noise barriers will likely be required.

Mineral Extraction: The northern sector of Rialto, a large area of the City's Sphere of Influence and other areas to the south and east are occupied by State designated Mineral Resource Areas. These areas must be kept as undeveloped open space as long as extraction of sand and gravel continues or as long as mining activity is feasible. Long range planning for reclamation of these areas should include appropriate open space and recreation facilities to serve the needs of existing and future residents.

Archaeological Resources: The northern sector of Rialto, along Lytle Creek Wash, and the base of the hills in the southern Sphere of Influence are both designated sensitive for prehistoric cultural resources. The remainder of the Sphere and the remainder of the City are classified as low to moderate sensitivity for these resources. Prior to development in this zone, archaeological studies are required to be conducted.

City of Rialto Housing Element
Housing Resources



4. HOUSING RESOURCES

This section analyzes the resources available for the development, rehabilitation, and preservation of housing in Rialto. This includes an evaluation of the availability of land resources, the City's ability to satisfy its share of the region's future housing needs, the financial resources available to support the provision of affordable housing, as well as the administrative resources available to assist in implementing the City's housing programs.

A. Availability of Sites for Housing

According to the Regional Housing Needs Assessment, SCAG has assigned each community a share of the region's future need for housing for the period of 1998-2005. Therefore, an important component of the Housing Element is the identification of land resources and, in particular, whether it has or will have appropriate zoning, residential development standards, and public facilities and services to accommodate the City's future housing need.

Site Inventory.

In 1999, Rialto prepared an inventory of vacant sites that could accommodate residential development. The City has a range of residential zones that allow for varying density levels, defined by the maximum number of dwelling units per acre. These zones are nearly identical to their corresponding General Plan land use designation. Moreover, the average range of densities within each General Plan designation is minimal. Chart 4-1 presents both General Plan land use and corresponding zones to facilitate this analysis.

Rialto has a large reserve of vacant, undeveloped land to accommodate residential development. Also available is a large reserve of underutilized land that is currently developed at significantly lower intensity uses than permitted by the General Plan. In evaluating the capacity and suitability of the land for development, vacant land can be classified into two broad classifications: restricted and unrestricted.

Restricted: Vacant or underutilized land is considered restricted if the development is contingent upon Planning Commission or City Council approval, or if a general plan amendment or zone change is required. The land may also be restricted in the sense that it is potentially impacted by one or more environmental constraints, such as flooding, seismic, and the presence of sensitive habitat and species.

Unrestricted: Rialto also has a large reserve of unrestricted land that can be developed under normal planning review processes without the approval of a discretionary permit. Development can proceed without Planning Commission review, City Council approval, or without significant concern or mitigation for the presence of environmental constraints. Therefore, under appropriate market conditions, this land can be readily developed.

Chart 4-1 below and the accompanying text provides an inventory of land resources that could accommodate the new residential construction over the next five years. Included are the General Plan Land Use designation, corresponding zone, amount of land, permitted density, potential development capacity, and the status of the land. On a conservative basis, the City can accommodate the development of approximately 4,850 new residential units on existing vacant and underutilized land within the community.

A substantial reserve of underutilized land, zoned and general planned for multi-family use, which contain lower intensity uses. These properties encompass 75 acres, are transitional in nature, and can convert to multi-family residential use without Planning Commission or City Council approval. Lastly, there are 20 acres of property zoned for R-1 use and general planned for high density use which require Planning Commission review and City Council approval of a zone change to develop for multi-family residential use.

Chart 4-1: Inventory of Land Resources and Development Potential

General Plan Designation	Zone District	Permitted Density	Status	Available Acreage	Development Capacity
<u>Vacant Land</u>					
Low Density	A-1; 10,000	2.0 du/ac	Restricted	560	1,120 units
Medium	R-1A-1C	4.0 du/ac	Unrestricted	215	860 units
Medium High	PRD-A;D				
High*	R3-R4	21 du/ac	Restricted	24	504 units
	R3-R4	21 du/ac	Unrestricted	45	945 units
<u>Underutilized</u>					
High	R1-RC	(net 15)	Restricted	20	300 units
High	R3	(net 15)	Unrestricted	75	1,125 units

Source: City staff review of Land Resources, 2000.

* Majority of land with General Plan Land Use Designation of High Density is zoned R-3.

Taken together, a large reserve of vacant and underutilized land is available that can accommodate 4,850 new single-family units and multi-family residential units. The potential affordability of those units and a comparison with the affordability requirements pursuant to SCAG's 1998-2005 RHNA are detailed in the following section.

Credits Toward RHNA.

In evaluating housing elements, State law requires communities to identify sites which are or will be made available for future residential development. Furthermore, communities must demonstrate how these sites will facilitate and encourage the development of housing that is affordable to all economic segments of their community. In meeting this requirement, communities can credit new housing built since January 1998, qualified substantial rehabilitation or preservation of at-risk units, and future development capacity.

Single-Family Homes: Since 1998, the City's housing stock has increased by 194 single-family detached homes. To evaluate their affordability, a survey of internet sites advertised three developers (e.g., Osborne, Group One Homes, and Brentwood Homes) who have been building approximately 500 new homes within Rialto. Developments are taking place on R1-zoned land at densities of 2.6 to 4.2 units per acre. Home prices range from \$116,000 for a 2-bedroom unit, to \$132,000 - \$150,000 for a three bedroom unit, to \$150,000 - \$175,000 for a 4 to 5-bedroom unit. These homes are affordable to moderate-income households (Chart 2-18).

The City has 215 acres of land designated Medium-Density which, at an average density of 3.5 units/acre, could accommodate 752 new units. Given the aforementioned prices and affordability matrix, these units should be affordable to moderate-income households. In addition, the City has 560 vacant acres of land with a General Plan Land Use designation of Low-Density which, at an average density of 2 units per acre, could accommodate 1,120 new units. Given the lower density use, future development on this land is affordable to upper-income households.

Multi-Family Homes With respect to units affordable to lower income households, only 100 new units have been built since January 1998. These units were built by Southern California Housing Corporation, with assistance from HOME funds and tax credits. The sparse number of multi-family units that have been developed over the middle 1990s is due to the economic recession which still affects the housing market, and the tremendous number of vacant and foreclosed-upon homes still in the market. Moreover, because lower income households can afford certain *resale* homes (given the modest sales price), there has been sparse demand for apartment construction.

In terms of future development capacity, Rialto has 69 acres of vacant land with a General Plan High-Density designation that could accommodate 1,450 new apartments. In addition, there are 95 acres of underutilized land that could accommodate 1,425 new units. As shown in Chart 2-17, current market rents range from an average of \$412 for a studio to \$662 for a three-bedroom unit. Given these prices, all units are affordable to lower income households. Moreover, if the new 40% affordability limit for the HUD Section 8 program is used (versus the federal 30% cost standard), these apartment would be affordable to very low-income households.

Chart 4-2 below details the City's 1998-2005 RHNA requirement produced by the Southern California Association of Governments. Rialto's RHNA requires that the City must plan, through the identification of sites, for 2,199 new housing units from 1998 through 2005. With respect to affordability levels, the RHNA sets forth targets for the affordability of new housing: 22% of new units affordable to very low income, 15% for low income, 23% for moderate income, and the remaining 40% for upper income.

Based upon the prior analysis, the City can accommodate 1,120 new homes affordable to upper-income households and 752 units affordable to moderate-income households. In addition, the City has the capacity for 1,450 new apartment units on vacant land and 1,425 new units on under-utilized land which are affordable to lower income households. However, if the new affordability rules for the Section 8 program are used (e.g., 40% rent-income ratio), these units will also be affordable to very-low income households. As summarized below in Chart 4-2, the City can adequately satisfy its entire RHNA.

Chart 4-2: Comparison of RHNA versus Site Capacity

Income Levels	SCAG's RHNA	Units Built Since 1998	Remaining RHNA	Potential Capacity
Very Low	479	100	379	depends on affordability threshold
Other Low	<u>330</u>	<u>-0-</u>	<u>330</u>	
Total Low	809	100	709	1,450*
Moderate	496	196	300	752
Upper	894	0	894	1,120
Total	2,199	296	1,903	3,322

Source: 1998-2005 Regional Housing Needs Assessment; Residential Sites Inventory

Notes. * An additional 1,425 units are possible on under-utilized land.

In evaluating potential development, the vacant and underutilized sites are appropriate, having adequate sewer and water capacity. In the middle 1990s, the City recently completed a large expansion of its treatment capacity to 21 mgd. This is clearly sufficient to accommodate future development. With respect to roads and circulation, the City requires the developer to pay for necessary site improvements and ensure that they are in place at the time the development is completed. The need for additional police and fire services are covered through development impact fees paid prior to final inspection. As a result, there are no infrastructure or service constraints that would impede development.

B. Financial Resources

Rialto has access to a variety of funding sources for affordable housing activities. They include programs from local, state, federal as well as private resources. This section describes the four most significant housing funding sources currently used in Rialto - Community Development Block Grants, redevelopment set-aside, County HOME sources, and Section 8 funds. Chart 4-3 summarizes these and other funding available to support Rialto's housing programs.

1. Community Development Block Grant (CDBG) Funds.

HUD provides funds to local governments for a range of community development activities. The eligible range of activities include, but are not limited to, the following: acquisition and/or disposition of real estate, public facilities and improvements, relocation, rehabilitation and construction (under certain limitations) of housing, homeownership assistance, and also clearance activities. In addition, these funds can be used to acquire or subsidize at-risk units. Rialto receives approximately \$1.13 million annually in funding for housing and community development activities from the CDBG program.

2. Redevelopment Housing Set-Aside

State law requires Rialto's Redevelopment Agency to set-aside 20% of all tax increment revenue generated from redevelopment projects for affordable housing. The City's 20% set-aside funds must be used for activities that increase, improve, or preserve the supply of affordable housing. Housing developed under this program must remain affordable to the targeted income group for at least 15 years for rentals and 10-years for ownership housing. The Rialto Redevelopment Agency generates approximately \$750,000 annually in set-aside funds to support housing activities during this Housing Element cycle.

3. HOME Investment Partnership Program

Rialto is eligible for County HOME funds, which are awarded on a formula basis by HUD. HOME funds can be used to promote affordable rental housing and homeownership, including but not limited to: building acquisition, new construction, reconstruction, moderate or substantial rehabilitation, first-time home buyer assistance, and tenant-based assistance. A city must also provide matching contributions on a sliding scale: 25% local share for rental assistance/rehabilitation, 33% for substantial rehabilitation, and 50% for new construction. The County receives \$4 million in HOME funds annually.

4. Section 8 Rental Assistance Funds

The San Bernardino County Housing Authority administers the Section 8 Rental Assistance Program that extends rental subsidies to very low income households. The subsidy represents the difference between the excess of 30% of recipient's monthly income and the federally approved fair market rents (FMR). Two types of rental assistance are available: vouchers and certificates. As of the year 2000, almost 800 very low households in Rialto receive Section 8 vouchers and certificates.

Chart 4-3: Public and Private Resources Available for Housing and Community Development Activities

Program Name	Description	Eligible Activities
1a. Federal Programs - Formula/Entitlement		
Community Development Block Grant	Grants awarded to the City on a formula basis for housing and community development activities.	• Acquisition • Rehabilitation • Home Buyer Assistance • Economic Development • Homeless Assistance • Public Services
1b. Federal Programs - Competitive		
HOME	Flexible grant program awarded to City as part of a county consortium on a formula basis for housing activities.	• Acquisition • Rehabilitation • Home Buyer Assistance • Rental Assistance
Section 8 Rental Assistance Program	Rental assistance payments to owners of private market rate units on behalf of very low income tenants.	• Rental Assistance
Section 202	Grants to non-profit developers of supportive housing for the elderly.	• Acquisition • Rehabilitation • New Construction
Section 203(k)	Most mortgage financing plans provide only permanent financing. When rehabilitation is involved, a lender typically requires the improvements to be finished before a long-term mortgage is made. This program provides a single long-term, low-interest loan at fixed rate to finance both the acquisition and rehabilitation of the property.	• Acquisition - dwellings and land • Rehabilitation • Relocation of unit to another site on new foundation on the mortgage property • Refinance existing indebtedness
Section 811	Grants to non-profit developers of supportive housing for persons with disabilities, including group homes, independent living facilities and intermediate care facilities.	• Acquisition • Rehabilitation • New Construction • Rental Assistance
Section 108 Loan	Provides loan guarantee to CDBG entitlement jurisdictions for pursuing large capital improvement or other projects. The jurisdictions must pledge it to future CDBG allocations for repayment of the loan. Maximum loan amount can be up to five times the entitlement jurisdiction's most recent approved annual allocation. Maximum loan term is 20 years.	• Acquisition • Rehabilitation • Home Buyer Assistance • Economic Development • Homeless Assistance • Public Services
Mortgage Credit Certificate Program	Income tax credits available to first-time homebuyers for the purchase of new or existing single-family housing. Local agencies (County) make certificates available.	• Home Buyer Assistance

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Program Name	Description	Eligible Activities
Low Income Housing Tax Credit (LIHTC)	Tax credits are available to individuals and corporations that invest in low-income rental housing. Usually, the tax credits are sold to corporations with a high tax liability and the proceeds from the sale are used to create the housing.	• New Construction • Rehabilitation • Acquisition
Supportive Housing Program (SHP)	Grants for development of supportive housing and support services to assist homeless persons in the transition from homelessness.	• Transitional Housing • Permanent Housing for Disabled • Supportive Housing • Support Services • Safe Havens
2. State Programs		
Emergency Shelter Program	Grants awarded to non-profit organizations for shelter support services.	• Support Services
California Housing Finance Agency (CHFA) Multiple Rental Housing Programs.	Below market rate financing offered to builders and developers of multiple-family and elderly rental housing. Tax exempt bonds provide below-market mortgage money.	• New Construction • Rehabilitation • Acquisition of Properties from 20 to 150 units
California Housing Finance Agency Home Mortgage Purchase Program	CHFA sells tax-exempt bonds to make below market loans to first time homebuyers. Program operates through participating lenders who originate loans for CHFA purchase.	• Home Buyer Assistance
California Housing Rehabilitation Program - Owner Component (CHRP-O)	Low interest loans for the rehabilitation of substandard homes owned and occupied by lower income households. City and non-profits sponsor housing rehabilitation projects.	• Rehabilitation • Repair of Code Violations, Accessibility Improvements, Room Additions, General Property Improvements
3. Local Programs		
Redevelopment Housing Fund	20 percent of Agency funds are set aside for affordable housing activities governed by state law.	• Acquisition • Rehabilitation • New Construction
Tax Exempt Housing Revenue Bond	City can help low-income housing developers to obtain bonds in order to construct affordable housing. The City can issue housing revenue bonds requiring the developer to lease a fixed percentage of the units to low income families and maintain rents at a below market rate.	• New Construction • Rehabilitation • Acquisition

HOUSING ELEMENT

Program Name	Description	Eligible Activities
Tax Exempt Housing Revenue Bonds - Issuance and Administrative Fees	As part of any housing bond issuance or refinancing, the City can charge an issuance fee and annual administration fees.	Affordable Housing Programs
4. Private Resources/Financing Programs		
Federal National Mortgage Association (Fannie Mae)	Loan applicants apply to participating lenders for the following programs: Fixed rate mortgages issued by private mortgage insurers.	Home Buyer Assistance
	Mortgages which fund the purchase and rehabilitation of a home.	- Home Buyer Assistance - Rehabilitation
	Low Down-Payment Mortgages for Single-Family Homes in underserved low-income and minority communities.	Home Buyer Assistance
Savings Association Mortgage Company Inc. (SAMCO)	Pooling process to fund loans for affordable ownership and rental housing projects. Non-profit and for profit developers contact member institutions.	Construction of single family & multiple family rentals, cooperatives, self help housing, homeless shelters, and homes for the disabled.
California Community Reinvestment Corporation (CCRC)	Non-profit mortgage banking consortium designed to provide long term debt financing for affordable multi-family rental housing. Non-profit and for profit developers contact banks.	- New Construction - Rehabilitation - Acquisition
Federal Home Loan Bank Affordable Housing Program	Direct Subsidies to non-profit and for-profit developers and public agencies for affordable low income ownership and rental projects.	New Construction
Freddie Mac	Home Works - Provides 1 st and 2 nd mortgages that include rehabilitation loan. City provides gap financing for rehabilitation component. Households earning up to 80% MFI qualify.	Home Buyer Assistance combined with Rehabilitation
Lease Purchase Program	The City participates in a JPA that issues tax-exempt bonds. Bonds enable City to purchase homes for households earning up to 140% MFI. JPA pays 3% down and closing costs. Lease purchasers make monthly payments with the option to buy after 3 years.	Home Buyer Assistance

In terms of funds from the State of California to support affordable housing, the Governor recently signed the largest housing budget in the State's history for about \$500 million. The most heavily funded programs are as follows: Rental Housing (\$177 million), Community Amenities/Development Incentives (\$110 million), Ownership Housing (\$100 million), Farm Worker Housing (\$43 million), Emergency Housing Assistance (\$32 million), and Supportive Housing/Minors Leaving Foster Care (\$25 million).

C. Administrative Resources

An alternative to providing subsidies to existing owners to keep units available as low income housing is for public or nonprofit agencies to acquire or construct housing units to replace at-risk units lost to conversion to market rates. Described below are agencies that can serve as resources in the implementation of housing activities in Rialto and San Bernardino County.

Home AID: HomeAID is a nonprofit corporation established by the Building Industry Association to help alleviate homelessness in the region. HomeAID has a dual focus: to construct/renovate shelters and to develop housing for lower-income households. Projects completed in the County include the following: 1) County Mental Health Facility; (2) Sports Kids University; (3) St. Mark's Homeless Shelter; and (4) Single Room Housing.

Southern California Presbyterian Homes (SCPH): SCPH is an experienced non-profit housing developer. Through federal and local funds, SCPH has developed many affordable senior housing units throughout southern California. SCPH recently completed Sycamore Terrace, a low income independent living facility in Upland. Numerous other housing projects have been completed throughout communities in San Bernardino County.

Southern California Housing Development Corporation: This agency manages and owns over 2,000 units and has acquired and substantially rehabilitated 2,500 housing units throughout Southern California. The organization has several projects in Rialto. Currently, this organization is building a 100-unit complex, "The Crossings" with a number of the units set aside for very low-income senior households. This agency was also instrumental in completing the rehabilitation of the 144-unit Glenwood Apartments.

Housing Action Resource Trust (HART): HART is a non-profit developer located in Rancho Cucamongna which develops, rehabilitates, and/or manages low and moderate income housing in the Inland Empire.

Neighborhood Housing Services of the Inland Empire, Inc.: Neighborhood Housing Services is a non-profit corporation established in 1982. Their mission is to revitalize neighborhoods through housing rehabilitation, down payment assistance, homeownership counseling, and neighborhood fix-up programs to residents of the Inland Empire.

D. Opportunities for Energy Conservation

Utility-related costs can impact the affordability of housing in Southern California. However, Title 24 of the California Administrative Code sets forth mandatory energy standards for new development, and requires adoption of an “energy budget.” In turn, the home building industry must comply with these standards while localities are responsive for enforcing the energy conservation regulations.

The following are ways to meet these energy standards -- Alternative 1) the passive solar approach which requires proper solar orientation, appropriate levels of thermal mass, south facing windows, and modern insulation levels; Alternative 2, generally requires higher levels of insulation than Alternative 1, but has no thermal mass or window orientation requirements; and Alternative 3, passive solar design but requires active solar water heating in exchange for less stringent insulation and/or glazing requirements.

Rialto encourages energy conservation by offering a density bonus not to exceed four units per net acre, which may be granted when energy consumption per Title 24 State of California Energy Calculations can be reduced as follows:

- 1) 2-unit bonus per net acre for passive solar design of units so that average energy savings for the units 35% of the allowed energy consumption; and
- 2) An additional two unit bonus per net acre for passive solar design of units so that average energy savings for the units is 50% of the above standard.

Additional conservation measures are: (1) locating the home on the northern portion of the sunniest portion of the site; (2) designing the structure to admit the maximum amount of sunlight into the building and reduce exposure to extreme weather; (3) locating indoor areas of maximum use along the south building face, placing corridors, closets, laundry rooms, power core, and garages along the north face; and (4) making the main entrance a small enclosed space that creates an air lock between the building and exterior; orienting the entrance away from winds or using a windbreak to reduce wind velocity.

Local utility companies promote energy conservation and assist lower income customers. Edison offers the Low Income Energy Efficiency programs (LIEE) to help homeowners and renters conserve energy and control costs. Eligible customers receive weatherization, efficient lighting and cooling, refrigerator replacement, and energy education services. Edison participates in the California Alternate Rates for Energy program which provides a 15% discount on electric bills for low-income customers. The Gas Company offers two direct assistance programs to limited income customers: 1) a no-cost weatherization (such as attic insulation and water blankets), and 2) a no-cost furnace repair and replacement service. The Gas Company also participates in the California Alternate Rates for Energy program, which provides low-income customers with a discount on their monthly gasbills.

City of Rialto Housing Element
Housing Plan



5. HOUSING PLAN

Sections 2 through 4 establish the housing needs, constraints, and resources in Rialto. This section, the Housing Plan, evaluates the City's accomplishments from the last housing element and sets forth the City's goals, policies, programs, and quantified objectives to address the identified housing needs in Rialto during the 2000-2005 period.

A. Evaluation of Past Accomplishments

As part of the Housing Element, cities must periodically review the appropriateness, effectiveness, and progress in implementing the programs in the housing element (Government Code, Section 65588). These results should be quantified wherever possible and qualitative where necessary. This section evaluates the accomplishments since the last Housing Element as the basis for developing appropriate policy and program responses.

1. Progress in Implementation

The 1992 Housing Element set forth various goals, policies, and objectives to address the development, maintenance, and improvement of housing. These goals were implemented through a series of programs designed to (1) conserve existing housing, (2) assist in the development of housing; (3) provide adequate sites to encourage diversity; (4) remove governmental constraints; and lastly, (5) promote equal housing opportunity.

Rialto's progress in meeting the specified objectives have been mixed. Pursuant to SCAG's 1989-1994 Regional Housing Needs Assessment, Rialto was assigned a construction need of 5,264 homes. Of that total, 34.5% were targeted to be affordable to lower income households and 65.5 % were targeted to be affordable to moderate and upper income households. With respect to production, Rialto's housing stock increased by 2,304 homes from 1990-1997 -- less than half the RHNA for that planning period.

In the absence of price information of the new homes sold or rented, the affordability of the unit can be inferred by the type of unit constructed and the affordability matrix presented earlier. From 1990 through 1997, approximately 1,997 units were single family homes, assumed to be affordable to moderate income households. Another 307 units of mobilehomes and apartments were constructed, of which were assumed to be affordable to lower income households. Of that total, 200 units of subsidized housing was produced as affordable to very low income households.

New production goals were supplemented by a range of programs designed to improve the condition of housing. The City implemented a single family and multi-family rehabilitation program, with an additional focus on providing assistance to seniors and disabled persons. Modest goals for the rehabilitation program were set forth based upon available financial resources. Over the decade, an undetermined number of rehabilitations were completed.

To ensure that affordable housing was preserved, Rialto implemented a homebuyer program, Section 8 rental assistance, and a historic preservation ordinance. All these goals and objectives were exceeded. Over twice the number of Section 8 certificates/vouchers were provided. Moreover, the City continued implementation of the Mobile Home Rent Control Ordinance to protect one of the largest supplies of affordable housing in the City -- lower cost mobile homes.

Rialto implemented several programs designed to remove governmental constraints to housing. For instance a second-unit ordinance was adopted in 1994. Although the City does not have a density bonus program, variances are granted to achieve the densities needed to facilitate affordable housing. Over 200 units of senior housing were granted density variances. These two factors have helped remove constraints to meeting the needs of special needs groups.

In order to ensure equal housing opportunity, Rialto also provided fair housing services through Inland Mediation services to ensure that fair purchase and renting practices are followed. Through a contract with this and other organizations, the City has helped ensure that all residents, regardless of their status, enjoy the fair and equal opportunity to secure housing that is best suited to their lifestyle needs and income levels, without fear of discrimination. Chart 5-1 summarizes accomplishments for the City's programs.

Chart 5-1: Past Accomplishments

Program Type	Activity	1992 Housing Element	
		Objective	Progress
Rental Rehabilitation	Rehabilitate rental housing units	16	N/A
Senior/Disabled Repair Program	Assist senior and disabled households	125	N/A
Home Improvements Loan	Single-family Rehabilitation	12	N/A
1st-Time Homebuyer Assistance	Assist households become homeowners	25	N/A
Rental Assistance	Section 8 certificates/vouchers	400	790
Mobile Home Rent Control Ordinance	Conserve mobile homes	Implement	Ongoing
Historic Preservation Ordinance	Adopt ordinance	Adopt	Adopted
Second Unit Ordinance	Adopt ordinance	Adopt	Adopted
Housing for Moderate and Upper Income Households	Facilitate production of housing cited in RHNA	3,450	1,997
Housing for Low and Very Low Income Households	Facilitate production of housing cited in RHNA	380	307

Source: 1992 Housing Element; City Planning staff.

N/A = Not Available.

2. Effectiveness of Programs

The 1989-1994 Regional Housing Needs Assessment (RHNA) adopted by SCAG established a five-year objective to facilitate the construction of 5,264 housing units. These production levels could not be achieved. The economic recession in Southern California during the 1990s had a dramatic impact upon the Inland Empire -- the lingering effects of which are still evident well through this housing element planning period.

To understand the effectiveness of Rialto's housing programs, it is important to review the economic climate of the region over the 1990s. During the late 1980s, the Inland Empire was in the midst of a housing boom. Fueled by price escalation of homes and federal tax breaks, multi-family construction soared to all time heights. This sustained growth would not last. With the real estate crash in the early 1990s, the value of homes plummeted over 30% in just three years -- causing overleveraged owners to file for bankruptcy.

At the same time, Congress passed the Base Realignment Act, resulting in a series of base realignments and closures. The exodus of military personnel and related businesses dependent on the military caused a second wave of vacant-for-sale homes on the market. The high levels of vacancies further caused property values of existing homeowners to decline, exacerbating the problem of owners who were already too highly leveraged. This caused bankruptcy rates to reach all time highs in Rialto and surrounding communities.

The Southern California region began a full recovery in the mid-1990s. Unlike the coastal counties or even western San Bernardino County, the eastern portion has yet to recover from the recession. Few if any apartments have been constructed due to the highest vacancy rates still evident in over a decade. In fact, the value of existing single family homes has only recently stabilized, after almost a decade of slow descent. Without market demand, the City focused efforts on meeting existing rather than future housing needs.

Despite the recession of the early 1990s and slower economic growth of the East Valley region of San Bernardino County (of which Rialto is a part), the City issued almost 3,000 building permits between 1989 and 1997. The majority of recent development has been in the northern portion of the City. While most of the development has been comprised of single family homes, Rialto still has some of the lowest home prices, making the majority of homes affordable to lower and moderate income households.

In summary, the effectiveness of the Housing Element programs was constrained largely by market forces. The recession during the 1990s and the high level of foreclosures made the rehabilitation and resale of existing housing a more important and immediate concern over RHNA production goals. These same forces also still persist and provide a strong influence on the City's Housing Plan for the present Housing Element planning period.

3. Continued Appropriateness

The 1990s downturn in the economy and the housing market led to a major shift in the emphasis in the Housing Element goals, policies, and priorities. In 1997, the City of Rialto formed a Housing Strategy Advisory Task Force to develop options to address the most pressing issues facing the community as a result of the downturn in the economy. With the lack of sufficient market demand for new housing, the community agreed that a new direction was necessary to address more pressing housing issues.

The Housing Strategy Advisory Task Force came to recognize that the deterioration of neighborhoods was the most pressing problem facing Rialto. According to the City's 1997 Housing Strategy, these problems were manifested in the following areas:

- Homes which have been abandoned and are currently vacant or boarded up, including HUD, FNMA, and VA repossessed properties;
- Homes which are owned by absentee landlords and are rented, but are not being properly maintained;
- Owner occupied homes in need of rehabilitation, with the greatest concentration of the problem in older, smaller homes; and
- Deferred maintenance in selected multi-family apartments, which have contributed to rising crime and overall decline in property values.

In order to stabilize neighborhoods from the impacts of the recession, while addressing the issue of significant deferred maintenance in housing stock, Rialto began to implement rehabilitation programs for low and moderate income households. The Acquisition, Rehab, and Resale (ARR) Program was initiated in February 1998 for first-time homebuyers. In this program, over 113 HUD foreclosed homes have been purchased, rehabilitated and sold. Coupled with the ARR Program, the Mortgage Assistance Program provided loans to help lower income families purchase rehabilitated homes.

The City also implemented several additional rehabilitation programs. These include the Home Sweet Home Program, the Handy Work/Job Training Program, the Senior Minor Repair Program, and the Riverside Avenue Beautification Program. The Home Sweet Home Program works in conjunction with the City's code enforcement division to target specific neighborhoods and offers deferred loans to property owners to help pay for rehabilitation activities. The Handy Work/Job Training Program addresses both the need for housing rehabilitation for lower income owners and job training for low income youth.

For the present planning period, the City will build upon the goals and objectives from the 1997 Housing Strategy Advisory Task Force and the recommendations from the present Task Force assigned to provide input into the current Housing Element. Moreover, with the economy beginning to recover, housing production goals assigned through the Regional Housing Needs Assessment can now be more fully addressed. The next section sets forth goals and policies Rialto can undertake for the 2000-2005 planning period.

B. Goals and Policies

This section of the Housing Element contains a brief overview of the key issues from the Needs Assessment as well as the goals and policies that Rialto intends to implement to address these housing needs. The following section details the programs and quantified objectives associated with these policies.

1. Housing and Neighborhood Conservation

Housing and neighborhood conservation are important to maintaining and improving quality of life. Though the majority of the City's housing stock is new, some of the older neighborhoods show signs of inadequate maintenance and deterioration. Neighborhoods with large numbers of foreclosed and abandoned homes are a particular concern. Efforts to improve and revitalize housing must not only address existing conditions, but also focus on preventative repairs to ensure the quality of the housing stock is maintained. The following policies address the continued need for housing and neighborhood conservation.

GOAL 1.0: MAINTAIN AND IMPROVE THE QUALITY OF EXISTING HOUSING AND NEIGHBORHOODS IN RIALTO

- Policy 1.1** Promote the revitalization and rehabilitation of residential structures that are substandard or have fallen into disrepair.
- Policy 1.2** Promote the maintenance of existing sound quality housing through preventative, rather than remedial, maintenance.
- Policy 1.3** Encourage neighborhood and local involvement in addressing housing and neighborhood maintenance and improvement.
- Policy 1.4** Undertake comprehensive neighborhood reinvestment strategies to stabilize and improve neighborhoods.
- Policy 1.5** Preserve the existing character and quality of established single-family neighborhoods and communities.
- Policy 1.6** Promote focused code enforcement and rehabilitation efforts to reverse the decline of transitioning neighborhoods.
- Policy 1.7** Promote the conservation of physically sound buildings and neighborhoods that have historical or architectural significance.

2. Adequate Residential Sites

A key element in meeting the housing needs of all segments of the community is the provision of adequate sites for all types, locations, sizes, and prices of housing. Continuing to provide a balanced inventory of housing in terms of unit type, cost range, and style will allow the City to fulfill a variety of housing needs. The following policies have been developed to provide adequate sites to in order to ensure a diversity of housing.

GOAL 2.0 PROVIDE ADEQUATE RESIDENTIAL SITES THROUGH APPROPRIATE LAND USE, ZONING AND SPECIFIC PLAN DESIGNATIONS.

Policy 2.1 Implement land use policies which provide for a diversity of housing types and price ranges to encourage consistency with the 1998-2005 RHNA.

Policy 2.2 Support the efforts of the Redevelopment Agency to acquire surplus City-owned sites and make them available for affordable housing development.

Policy 2.3 Continue to provide opportunities for infill housing with downtown Rialto as part of the Redevelopment Agency's downtown revitalization strategy.

Policy 2.4 Promote the phased and orderly development of new neighborhoods consistent with the provision of infrastructure improvements.

3. Assist in the Production of Housing

The Regional Housing Needs Assessment addresses the need for decent, adequate, and affordable housing to accommodate existing housing needs and s well as those induced from regional growth. Rialto is committed to furthering statewide goals by assisting in the development of adequate housing that is affordable to all economic segments of the population. The following policies further the production of affordable housing.

GOAL 3.0 ASSIST IN THE PROVISION OF ADEQUATE HOUSING THAT IS AFFORDABLE TO LOWER AND MODERATE INCOME HOUSEHOLDS.

Policy 3.1 Facilitate the development and preservation of affordable housing by offering financial and/or regulatory incentives where feasible.

Policy 3.2 Provide homeownership assistance for lower and moderate income households; support rental assistance for lower income households.

Policy 3.3 Encourage the development of housing for special need households by offering density bonus and other zoning incentives.

Policy 3.4 Support the development of rental units with three or more bedrooms to provide affordable housing that adequately accommodates larger families.

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- Policy 3.5** Encourage the construction of apartment complexes with strong on-site management to ensure that housing is well-maintained.

4. Removal of Governmental Constraints

Market factors and governmental regulations impact the feasibility of housing production. Although market conditions are often beyond the direct influence of any jurisdiction, efforts can be made to address land use controls, residential development standards, permit-processing timeframes, building fees, or other requirements to encourage new housing. The policies outlined below are designed to mitigate government constraints.

GOAL 4.0 MITIGATE THE GOVERNMENTAL CONSTRAINTS, TO THE EXTENT FEASIBLE, THAT UNDULY IMPEDE HOUSING PRODUCTION AND AFFORDABILITY.

- Policy 4.1** Periodically review City regulations and ordinances to ensure that they do not unduly constrain housing development.

- Policy 4.2** Offer financial and/or regulatory incentives where feasible to offset or reduce the costs of developing affordable housing.

- Policy 4.3** Provide for timely processing of development projects to minimize project holding costs.

- Policy 4.4** Periodically review development fees and service fees to ensure that they are appropriately related to and do not constrain the development.

5. Equal Housing Opportunity

Ensuring equal access to housing is an important goal, which can be maintained through the provision of fair housing services including investigation, education, and outreach.

GOAL 5.0: PROMOTE EQUAL HOUSING OPPORTUNITY

- Policy 5.1** Continue to enforce fair housing laws prohibiting arbitrary discrimination in the building, financing, selling or renting of housing on the basis of race, religion, family status, national origin, disability, or other protected class.

- Policy 5.2** Ensure that residents are aware of their rights and responsibilities regarding fair housing.

- Policy 5.3** Continue to cooperate with the Inland Mediation Board to enforce fair housing laws, and provide fair housing education and services.

C. Housing Programs

The goals and policies contained in the Housing Element address Rialto's housing needs and are implemented through housing programs offered by the City's Planning and Development Department, Redevelopment Agency and the Rialto's Housing Development Corporation. In drafting these goals and policies, Section 65583 of the Government Code requires the housing element to address five major areas:

- ▶ Neighborhood Conservation and Improvement
- ▶ Assisting in the Provision/Development of Housing
- ▶ Providing Adequate Sites to Achieve Diversity
- ▶ Removing Governmental Constraints
- ▶ Promoting Equal Housing Opportunity

This section briefly describes the programs that Rialto will implement to address these areas. The housing programs described contain existing as well as future programs needed to address identified housing needs. Chart 5-2 provides a summary of each program, the five-year objective, the funding sources, and the agency responsible to implement the program.

Neighborhood Conservation and Improvement

1. Acquisition, Rehab, and Resale (ARR) Program

The Acquisition, Rehab, and Resale (ARR) Program is a first-time home buyer purchase and single-family rehabilitation program for families with lower incomes (up to 80% MFI). HUD has established a list of homes located in HUD-established revitalization areas or 10% outside the revitalization area, which nonprofit groups may purchase at a 30% discount. The initial purchasers (i.e. the City Redevelopment Agency or a nonprofit) rehabilitates the homes prior to selling them to first-time low-income home buyers. The program has been in place since 1998 and 113 homes have been completed and sold. The program is coordinated with the Mortgage Assistance Program described below.

Five Year Objective: Assist approximately 200-250 homes.

2. Home Sweet Home Program

The Home Sweet Home Program is a deferred loan program which provides up to \$8,000 for single-family property improvements. This home improvement program works closely with the City's code enforcement activities to focus on specific neighborhoods. Code inspections are made of each property in the target neighborhoods. Where code violations are cited, below-market-rate loans are made available to qualified homeowners to help correct the violations. Loan repayment terms are tailored to the homeowner's ability to pay. The Home Sweet Home Program is funded with Redevelopment Set-Aside funds.

Five Year Objective: Approximately 60 households will be assisted by this program.

3. Handy Work/Job Training Program

The Handy Work/Job Training Program provides housing rehabilitation to low and moderate home owner occupants. The program also provides job training for the community's young people through construction and remodeling work experience. This program provides for a maximum grant of \$2,500 per home and is funded with Redevelopment Set-Aside funds.

Five Year Objective: Provide rehabilitation assistance to 100 households and provide job training to 30 low income youth.

4. Riverside Avenue Beautification Program

The Riverside Avenue Beautification Program will provide financial assistance to rehabilitate housing on Riverside Avenue in Rialto. The purpose of this program is two-fold: 1) to improve the housing quality; and 2) to improve the image of the City. This program may apply to owner-occupants, rental housing, as well as abandoned properties and is funded with Rialto's Redevelopment Set-Aside funds. The maximum grant amount is \$4,000 per unit and rehabilitation work is conducted by licensed contractors approved for the program.

Five Year Objective: Assist 75 households with home rehabilitation services.

5. Senior Minor Home Repair Services

The Senior Minor Home Repair Services Program is a grant program that assists persons 62 years or older as well as the disabled. Grants are typically in the amount of \$100. The repair work is conducted by a consultant approved for the program.

Five Year Objective: Assist approximately 400 low and moderate income seniors.

6. Security Lighting Voucher Program

The City currently provides reimbursement of the cost and installation of security lighting to apartment project owners in lower and moderate income areas that have experienced serious crime problems. The program provides the property owner with the necessary security lights, valued at \$325, and reimburses installation costs of up to \$77 per installation.

Five Year Objective: Provide security lighting vouchers to 100 households.

7. Rental Property Acquisition and/or Rehabilitation Program

The County provides loans using HOME funds to both for-profit and non-profit developers of affordable housing who propose to acquire and/or rehabilitate existing rental units, which may or may not be affordable to lower income families. After rehabilitation, the HOME funded units must be rented to lower income households.

Five Year Objective: Continue participation and advertise availability.

8. Rental Property Rehabilitation/Refinance Program

This program enables San Bernardino County to use HOME funds to refinance existing debt, so long as the primary activity is the rehabilitation of affordable housing. The program is designed to create new affordable housing opportunities, while maintaining the existing affordable housing stock in the County.

Five Year Objective: Continue participation and advertise availability.

9. Code Enforcement

The City maintains two full-time code enforcement officers to ensure building code compliance. The Code Enforcement Division receives about 100 citizen complaints per month. The Code Enforcement Division plays a key role in improving Rialto neighborhoods. The Division engages in emergency nuisance abatement actions against vacant and abandoned buildings to ensure that these buildings do not become havens for vagrants or gangs.

Five-Year Objective: The City will continue to use its code enforcement activities to focus on deteriorating neighborhoods in Rialto.

Assist in the Provision of Affordable Housing

10. Preservation of At-Risk Units

The City has 301 assisted multi-family units at risk of converting to market rates by 2010. Of the four at-risk projects, two, Heritage Park Rialto and the Meadowland Apartments, are financed with County mortgage revenue bonds. The most viable option for preserving these two projects is to refinance their mortgage revenue bonds and extend the affordability controls. The two other at-risk projects, Southpointe Villa and Willow Village, both have Section 8 contracts. If the owners decide to opt out of the Section 8 affordability controls the following options can be used to preserve the affordability of the units in these projects.

- ▶ Provision of financial incentives to maintain affordability;
- ▶ Transferring ownership to a non-profit housing corporation;
- ▶ Provision of rent subsidies using other funding sources (e.g. redevelopment set-aside, CDBG, and/or County HOME funds);
- ▶ Purchasing similar units to be maintained as affordable housing; or
- ▶ Building new affordable housing units to replace the lost units.

Five Year Objective: Work with property owners to develop a strategy to maintain affordability controls on assisted units.

11. Mobilehome Park Preservation

Mobilehome parks provide a valuable source of affordable ownership housing in Rialto. This is especially the case since the City has adopted a mobilehome rent control ordinance. The City has also rezoned all land occupied by mobilehomes to MHD (Mobilehome Development Zone) in order to protect these parks from conversion.

Five Year Objective: Continue to oversee mobilehome rent control to ensure that mobilehomes remain an affordable option in Rialto.

12. Homeownership Programs**a. Homeownership Assistance Program (HAP)**

The County of San Bernardino currently administers a first-time homeowners purchase program for families of low and moderate incomes. The program assists low and moderate income home buyers meet the cash requirements of a home purchase. The HAP funds may be used for gap financing, down payment or closing cost assistance. The assistance is in the form of a deferred loan and is secured by a second trust deed. The program is funded by the County.

Five Year Objective: Continue participation and advertise availability.

b. Mortgage Assistance Program

The Mortgage Assistance Program provides loans to lower income families, who purchase rehabilitated homes through the Acquisition, Rehab, and Resale (ARR) Program. The program provides a maximum loan amount of \$7,500 or 10% of the purchase price, whichever is lower. The program is funded from Redevelopment Set-Aside funds. In conjunction with the ARR Program, \$375,000 will be allocated to this program over the 2000-2005 period. Assuming an average level of assistance of \$5,000 per unit, 75 low income home buyers could be assisted by this program.

Five Year Objective: Assist 75 low income households.

c. First-Time Homebuyer Program

San Bernardino County operates a program for first-time low and moderate income homebuyers. The program provides a low interest loan and a 3% gift to assist with downpayment or closing costs. The loan program is funded through a County bond and is available in Rialto and the rest of the County through participating lenders.

Five-Year Objective: Continue participation and advertise availability.

d. Mortgage Credit Certificate (MCC)

The City participates in the federal Mortgage Credit Certificate Program operated by San Bernardino County. The MCC program allows qualified first-time homebuyers to take an annual credit against their federal income taxes of up to 20% of the annual interest paid on the applicant's mortgage. Because of the tax credit allowance, homebuyers have more income available to qualify for a mortgage loan and make monthly payments. Therefore, the MCC Program is a way to further leverage homeownership assistance.

Five Year Objective: Continue participation and advertise availability.

e. Fresh-Rate Program

Rialto participates in the Independent Cities Lease Finance/Authority/Independent Cities Association (ICLFA/ICA) sponsored Fresh-Rate Program. This program provides a 4 percent down payment and closing cost assistance. The program is financed by the ICLFA/ICA and is limited to Rialto residents with incomes up to 120 percent of the County or State median income, whichever is greater.

Five Year Objective: Continue participation and advertise availability.

f. Lease-to-Own Program

The Lease-to-Own Program, operated by the Pacific Housing & Finance Agency (PHFA), provides down payment and closing costs for home buyers with incomes up to 140% of the County median. The potential home buyer finds a home to purchase and then enters into a Lease-to-Own Agreement with PHFA. PHFA purchases the home on behalf of the buyer and rents the home to the buyer for a 38-month period. After 38 months, the buyer assumes the remaining years of the loan. The program is funded by tax-exempt bonds issued by a Joint Powers Authority.

Five Year Objective: Continue participation and advertise availability.

g. Officer/Teacher Next Door Program

Through a cooperative agreement with HUD, this program assists its police officers and teachers obtain a home within the City of Rialto. The officers and teachers have the ability to purchase homes from a selected list of HUD homes, which are available at a 50 percent discount of the listed price. The officers or teachers are required to reside in the home a minimum of three years.

Five Year Objective: Assist 200 officers and teachers in the program.

13. Section 8 Rental Assistance

The Section 8 Rental Assistance program provides rent subsidies to very low income households who spend more than 50% of their income on rent. Rental assistance not only

addresses housing affordability, but also addresses overcrowding by allowing families who are "doubling up" to afford housing. Under the certificate program, prospective renters secure housing from HUD-registered apartments that accept the certificates. HUD pays to the landlords the difference between what the tenant can afford to pay (30% of their income) and the fair market rent (FMR). Under the voucher program, a family can choose housing that costs more than the FMR, provided the tenant pays the additional rent. The County Housing Authority administers the Section 8 program on behalf of the City.

Five Year Objective: Continue participation, advertise program availability, and encourage rental property owners to register their units with the Housing Authority.

14. Tenant-Based Rental Assistance

Through the Security Deposit Assistance Program, the County uses HOME funds to provide financial assistance with required security deposits on rental housing units and tenant-paid utilities to persons who can afford monthly rent payments but lack necessary funds to get into and/or, to avoid being displaced from, decent housing. In addition, the County provides funds to low and moderate income renter households through the Monthly Rent Subsidies Program, which is also funded by the County HOME Program.

Five Year Objective: Continue participation and advertise program availability.

Providing Adequate Sites

15. Land Use Element/Zoning

The Rialto Land Use Element and Zoning Ordinance provides for a variety of residential land uses, ranging from a density of 1 to 3.9 units per acre in lower and medium density areas, and 6 to 21 units per acre in medium-high and high density areas. The Zoning Ordinance also includes provisions that provide housing densities above those specified in the underlying zone, including the use of Planned Residential Developments and density bonuses. The City also makes use of Specific Plans, providing an additional degree of flexibility from residential development standards.

Five Year Objective: Provide appropriate land use designations to fulfill the City's RHNA, identified as the following for the 1998-2005 period: 479 very low, 330 low, 496 moderate, and 894 upper income units.

16. Land Assemblage/Disposition/Acquisition

The City and its Redevelopment Agency will continue to play an active role in the provision of quality, affordable housing through use of land write-downs, direct financial assistance, and/or regulatory incentives. The City will utilize Redevelopment Set-Aside, CDBG, available County HOME, and other funds to assist in acquiring and assembling property and potentially writing down the cost of land for the development of new housing. As part

of the assemblage program, the City may also assist in subsidizing site improvements.

Five Year Objective: Assist in the assembly of land for housing.

17. Zoning Ordinance Amendment

The City provides for its special needs populations by allowing the siting of housing for seniors, the disabled, and other groups in appropriately zoned areas. Currently, a small homeless population congregates just north of the I-10 Freeway. However, the Zoning Ordinance does not clearly identify the specific zone districts where emergency shelters or transitional housing for the homeless are permitted to be sited. To address this need, the City will amend its Zoning Code to permit siting of emergency shelters and transitional facilities in the industrial park zone. These sites are suitable in that they are adjacent to where homeless people congregate, are within walking distance to public transit facilities, and no incompatible manufacturing/industrial uses are allowed in the industrial park zone. As a prerequisite to siting of such facilities, the City shall require an approved conditional use permit, the conditions of which shall not unduly constrain permitting of such facility.

Five Year Objective: Amend Zoning Ordinance by 2002 to explicitly permit emergency shelters and transitional housing in the industrial park zones.

Removing Governmental Constraints

18. Density Bonus

In accordance with State regulations, the City provides density bonuses for developments. In the past variances that allow increased density have been designed to meet the needs of target groups identified in the City's Housing Element. The General Plan allows for an increase from 21 units to 40 units per acre for senior citizen developments and the R-X zone district in the Downtown Specific Plan area allows for a density increase for developers who assemble smaller lots into one large lot for residential development. The addition of density bonus provision would permit a 25% density increase above the maximum permitted under the zoning ordinance where 20% of the units are set aside for lower-income households.

Five Year Objective: Encourage housing development through the provision of density bonus/equivalent incentives. Incorporate density bonus program into the zoning ordinance.

19. Energy Conservation - Density Bonus Program

Rialto encourages energy conservation by offering a density bonus not to exceed four units per net acre, which may be granted when energy consumption, according to Title 24 State of California Energy Calculations, can be reduced as follows: 1) 2-unit bonus per net acre for passive solar design of units so that average energy savings for the units 35% of the allowed energy consumption; and 2) An additional two unit bonus per net acre for

passive solar design of units so that average energy savings for the units is 50% of the above standard.

Five-Year Objective: Continue to implement the Energy Conservation - Density Bonus Program in order to reduce energy consumption.

20. Second Unit Ordinance

In 1994, the City of Rialto adopted a Second Unit Ordinance to provide additional affordable housing options in the community. Subject to a Conditional Development Permit (CDP), these units can provide independent and affordable rental housing for low and moderate income households.

Five Year Objective: Continue implementation of the Second Unit Ordinance by permitting the development of residential second units.

Promoting Equal Housing Opportunity

21. Fair Housing Services

The City contracts with Inland Mediation Board to provide fair housing services for its residents. Services provided by Inland Mediation include shared housing information for senior residents, counseling and information on housing discrimination, tenant/landlord dispute resolution, bilingual housing literature, and testing for housing discrimination. The City will continue to provide fair housing services through Inland Mediation and/or other agencies.

Five Year Objective: Continue participation and advertise program availability.

Chart 5-2: Housing Program Implementation

Housing Program	Program Objective	Program Action	Funding Source	Responsible Agency	Time-Frame
Neighborhood Conservation and Improvement					
1. Acquisition, Rehab, and Repair Program	Improve dilapidated homes and neighborhoods.	Assist 200-250 households	Redevelopment Set-Aside	Redevelopment Agency (RDA)	2000-2005
2. Home Sweet Home Program	Deferred loan program for property improvements.	Assist 60 households	Redevelopment Set-Aside	RDA	2000-2005
3. Handy Work /Job Training Program	Housing repair, rehab, and job training program.	Assist 100 households; train 30 youth	Redevelopment Set-Aside	RDA	2000-2005
4. Riverside Avenue Beautification	Rehabilitation program for housing on Riverside Ave.	Assist 75 households	Redevelopment Set-Aside	RDA	2000-2005
5. Senior Minor Home Repair Services	Grants to provide needed home repairs for seniors.	Assist 400 seniors	Redevelopment Set-Aside	RDA	2000-2005
6. Security Lighting Voucher	Reimbursement for security lighting for apartments.	Assist 100 households	Redevelopment Set-Aside funds	RDA	2000-2005
7. Rental Property Acquisition and/or Rehabilitation Program	Funding for developers who acquire and rehabilitate affordable rental housing	Continue to participate and advertise program availability	County HOME funds	County ECD Department	Ongoing
8. Rental Property Rehabilitation /Refinance Program	Funding to refinance debt in order to rehabilitate affordable rental housing	Continue to participate and advertise program availability	County HOME funds	County ECD Department	Ongoing
9. Code Enforcement	Handles code violations and nuisance abatement in neighborhoods.	Continue to focus on deteriorating neighborhoods.	CDBG and Redevelopment Set-Aside funds	RDA	Ongoing

HOUSING ELEMENT

Housing Program	Program Objective	Program Action	Funding Source	Responsible Agency	Time-Frame
Assist in the Provision of Affordable Housing					
10. Preservation of At-Risk Units	Preservation of existing assisted multi-family units.	Monitor status and work with County to refinance bonds	Department Budget	RDA	Ongoing
11. Mobilehome Rent Control Ordinance	Helps maintain affordability of mobilehomes.	Continue to implement rent control ordinance on mobilehomes.	Department Budget	RDA	Ongoing
12. Homeownership Programs					
a. Home-ownership Assistance Program	County first-time homebuyer program.	Continue to participate in program.	Funded by County	County ECD Department	Ongoing
b. Mortgage Assistance Program	Provides loans to purchase rehab. homes under the ARR Program.	Assist 75 households	Redevelopment Set-Aside	RDA	2000-2005
c. First-Time Homebuyer Program	County loan program for low/mod income homebuyers	Continue to participate in program and advertise.	County bonds	County ECD Department	Ongoing
d. Mortgage Credit Certificate	Tax credit allowance for first-time homebuyers	Continue to participate in program.	County	RDA	Ongoing
e. Fresh-Rate Program	Provides down payment and closing cost assistance.	Continue to participate in program.	ICLF/ICA	RDA	Ongoing
f. Lease-to-Own Program	Enables renters to purchase home.	Continue to participate in program.	Pacific Housing & Finance Agency	RDA	Ongoing
g. Officer /Teacher Next Door Program	Enables officers /teachers to purchase discounted HUD homes.	Assist 200 officers and teachers with the program.	HUD funded	RDA	2003
13. Section 8 Rental Assistance	Extend rental subsidies to very low income households.	Continue subsidy and encourage registration of buildings.	Section 8 certificate /vouchers	County Housing Authority	Ongoing
14. Tenant-Based Rental Assistance	Provides security deposit and rental assistance.	Continue to participate in program and advertise.	County HOME funds	County ECD Department	Ongoing

HOUSING ELEMENT

Housing Program	Program Objective	Program Action	Funding Source	Responsible Agency	Time-Frame
Providing Adequate Sites					
15. Land Use Element /Zoning	Encourage provision of housing for different income levels.	Provide appropriate sites to fulfill the City's 2000-2005 RHNA.	Department Budget	RDA	Ongoing
16. Land Assemblage /Disposition /Acquisition	Assemble property and extend write-downs; encourage affordable housing.	Assist in assembly of land for housing.	RDA Set-Aside, CDBG, and HOME funds	RDA	Ongoing
17. Zoning Ordinance Admendment	Changes zoning code to permit emergency shelters and transitional housing	Amend Zoning Code to permit shelters and transitional housing in the industrial park zone.	Department Budget	Planning Department	2002
Removing Governmental Constraints					
18. Density Bonus	Encourage housing development through density bonus.	Incorporate density bonus program into City's Zoning Ordinance.	Department Budget	Planning Department	2000-2005
19. Energy Conservation Density Bonus Program	Provides density bonus in order to encourage energy conservation	Continue to implement program.	Department Budget	Planning Department	Ongoing
20. Second Unit Ordinance	Encourage provision of housing for different income levels.	Continue implementation of ordinance	Department Budget	Planning Department	Ongoing
Promoting Equal Housing Opportunity					
21. Fair Housing Services	Continue to pursue actions that assure unrestricted housing access.	Contract with Inland Mediation; advertise program.	CDBG	Recreation and Community Services	Ongoing
Summary of Objectives by Income Level		Construction	Rehabilitation	Preservation	
Very Low Income		479	--	233	
Low-Income		330	267	68	
Moderate-Income		496	267	--	
Upper Income		894	---	--	

City of Rialto Housing Element
Appendix - Glossary



APPENDIX - HOUSING ELEMENT GLOSSARY

Acre: a unit of land measure equal to 43,560 square feet.

Acreage, Net: The portion of a site exclusive of existing or planned public or private road rights-of-way.

Affordability Covenant: A property title agreement which places resale or rental restrictions on a housing unit.

Affordable Housing: Under State and federal statutes, housing which costs no more than 30 percent of gross household income. Housing costs include rent or mortgage payments, utilities, taxes, insurance, homeowner association fees, and other related costs.

Annexation: The incorporation of land area into the jurisdiction of an existing city with a resulting change in the boundaries of that city.

Assisted Housing: Housing that has been subsidized by federal, state, or local housing programs.

At-Risk Housing: Multi-family rental housing that is at risk of losing its status as housing affordable for low and moderate income tenants due to the expiration of federal, state or local agreements.

California Department of Housing and Community Development - HCD: The State Department responsible for administering State-sponsored housing programs and for reviewing housing elements to determine compliance with State housing law.

Census : The official United States decennial enumeration of the population conducted by the federal government.

Community Development Block Grant (CDBG): A grant program administered by the U.S. Department of Housing and Urban Development (HUD). This grant allots money to cities and counties for housing rehabilitation and community development activities, including public facilities and economic development.

Condominium: A building or group of buildings in which units are owned individually, but the structure, common areas and facilities are owned by all owners on a proportional, undivided basis.

Density: The number of dwelling units per unit of land. Density usually is expressed "per acre," e.g., a development with 100 units located on 20 acres has density of 5.0 units per acre.

Density Bonus: The allowance of additional residential units beyond the maximum for which the parcel is otherwise permitted usually in exchange for the provision or preservation of affordable housing units at the same site or at another location.

Development Impact Fees: A fee or charge imposed on developers to pay for a jurisdiction's costs of providing services to new development.

Development Right: The right granted to a land owner or other authorized party to improve a property. Such right is usually expressed in terms of a use and intensity allowed under existing zoning regulation. For example, a development right may specify the maximum number of residential dwelling units permitted per acre of land.

Dwelling, Multi-family: A building containing two or more dwelling units for the use of individual households; an apartment or condominium building is an example of this dwelling unit type.

Dwelling, Single-family Attached: A one-family dwelling attached to one or more other one-family dwellings by a common vertical wall. Row houses and town homes are examples of this dwelling unit type.

Dwelling, Single-family Detached: A dwelling, not attached to any other dwelling, which is designed for and occupied by not more than one family and surrounded by open space or yards.

Dwelling Unit: One or more rooms, designed, occupied or intended for occupancy as separate living quarters, with cooking, sleeping and sanitary facilities provided within the unit for the exclusive use of a household.

Elderly Household: As defined by HUD, elderly households are one- or two- member (family or non-family) households in which the head or spouse is age 62 or older.

Element: A division or chapter of the General Plan.

Emergency Shelter: An emergency shelter is a facility that provides shelter to homeless families and/or homeless individuals on a limited short-term basis.

Emergency Shelter Grants (ESG): A grant program administered by the U.S. Department of Housing and Urban Development (HUD) provided on a formula basis to large entitlement jurisdictions.

Entitlement City: A city, which based on its population, is entitled to receive funding directly from HUD. Examples of entitlement programs include CDBG, HOME and ESG.

Fair Market Rent (FMR): Fair Market Rents (FMRs) are freely set rental rates defined by HUD as the median gross rents charged for available standard units in a county or Standard Metropolitan Statistical Area (SMSA). Fair Market Rents are used for the Section 8 Rental Program and many other HUD programs and are published annually by HUD.

First-Time Home Buyer: Defined by HUD as an individual or family who has not owned a home during the three-year period preceding the HUD-assisted purchase of a home.

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Jurisdictions may adopt local definitions for first-time home buyer programs which differ from non-federally funded programs.

Floor Area Ratio (FAR): The gross floor area of all buildings on a lot divided by the lot area; usually expressed as a numerical value (e.g., a building having 10,000 square feet of gross floor area located on a lot of 5,000 square feet in area has a floor area ratio of 2.0).

General Plan: The General Plan is a legal document, adopted by the legislative body of a City or County, setting forth policies regarding long-term development. California law requires the preparation of seven elements or chapters in the General Plan: Land Use, Housing, Circulation, Conservation, Open Space, Noise, and Safety. Additional elements are permitted, such as Economic Development, Urban Design and similar local concerns.

Group Quarters: A facility which houses groups of unrelated persons not living in households (U.S. Census definition). Examples of group quarters include institutions, dormitories, shelters, military quarters, assisted living facilities and other quarters, including single-room occupancy (SRO) housing, where 10 or more unrelated individuals are housed.

Growth Management: Techniques used by a government to regulate the rate, amount, location and type of development.

HCD: The State Department of Housing and Community Development.

Home Mortgage Disclosure Act (HMDA): The Home Mortgage Disclosure Act requires larger lending institutions making home mortgage loans to publicly disclose the location and disposition of home purchase, refinance and improvement loans. Institutions subject to HMDA must also disclose the gender, race, and income of loan applicants.

HOME Program: The HOME Investment Partnership Act, Title II of the National Affordable Housing Act of 1990. HOME is a Federal program administered by HUD which provides formula grants to States and localities to fund activities that build, buy, and/or rehabilitate affordable housing for rent or home ownership or provide direct rental assistance to low-income people.

Homeless: Unsheltered homeless are families and individuals whose primary nighttime residence is a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings (e.g., the street, sidewalks, cars, vacant and abandoned buildings). Sheltered homeless are families and persons whose primary nighttime residence is a supervised publicly or privately operated shelter (e.g., emergency, transitional, battered women, and homeless youth shelters; and commercial hotels or motels used to house the homeless).

Household: The US Census Bureau defines a household as all persons living in a housing unit whether or not they are related. A single person living in an apartment as well as a family living in a house is considered a household. Household does not include individuals living in dormitories, prisons, convalescent homes, or other group quarters.

Household Income: The total income of all the persons living in a household. A household is usually described as very low income, low income, moderate income, and upper income based upon household size, and income, relative to the regional median income.

Housing Problems: Defined by HUD as a household which: (1) occupies a unit with physical defects (lacks complete kitchen or bathroom); (2) meets the definition of overcrowded; or (3) spends more than 30% of income on housing cost.

Housing Subsidy: Housing subsidies refer to government assistance aimed at reducing housing sales or rent prices to more affordable levels. Two general types of housing subsidy exist. Where a housing subsidy is linked to a particular house or apartment, housing subsidy is "project" or "unit" based. In Section 8 rental assistance programs the subsidy is linked to the family and assistance provided to any number of families accepted by willing private landlords. This type of subsidy is said to be "tenant based."

Housing Unit: A room or group of rooms used by one or more individuals living separately from others in the structure, with direct access to the outside or to a public hall and containing separate toilet and kitchen facilities.

HUD: See U. S. Department of Housing and Urban Development.

Income Category: Four categories are used to classify a household according to income based on the median income for the county. Under state housing statutes, these categories are defined as follows: Very Low (0-50% of County median); Low (50-80% of County median); Moderate (80-120% of County median); and Upper (over 120% of County median).

Large Household: A household with 5 or more members.

Manufactured Housing: Housing that is constructed of manufactured components, assembled partly at the site rather than totally at the site. Also referred to as modular housing.

Market Rate Housing: Housing which is available on the open market without any subsidy. The price for housing is determined by the market forces of supply and demand and varies by location.

Median Income: The annual income for each household size within a region which is defined annually by HUD. Half of the households in the region have incomes above the median and half have incomes below the median.

Mobile Home: A structure, transportable in one or more sections, which is at least 8 feet in width and 32 feet in length, is built on a permanent chassis and designed to be used as a dwelling unit when connected to the required utilities, either with or without a permanent foundation.

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Mortgage Revenue Bond(MRB): A state, county or city program providing financing for the development of housing through the sale of tax-exempt bonds.

Overcrowding: As defined by the U.S. Census, a household with greater than 1.01 persons per room, excluding bathrooms, kitchens, hallways, and porches. Severe overcrowding is defined as households with greater than 1.51 persons per room.

Overpayment: The extent to which gross housing costs, including utility costs, exceed 30 percent of gross household income, based on data published by the U.S. Census Bureau. Severe overpayment, or cost burden, exists if gross housing costs exceed 50 percent of gross income.

Parcel: The basic unit of land entitlement. A designated area of land established by plat, subdivision, or otherwise legally defined and permitted to be used, or built upon.

Physical Defects: A housing unit lacking complete kitchen or bathroom facilities (U.S. Census definition). Jurisdictions may expand the Census definition in defining units with physical defects.

Project-Based Rental Assistance: Rental assistance provided for a project, not for a specific tenant. A tenant receiving project-based rental assistance gives up the right to that assistance upon moving from the project.

Public Housing: A project-based low-rent housing program operated by independent local public housing authorities. A low-income family applies to the local public housing authority in the area in which they want to live.

Redevelopment Agency: California Community Redevelopment Law provides authority to establish a Redevelopment Agency with the scope and financing mechanisms necessary to remedy blight and provide stimulus to eliminate deteriorated conditions. The law provides for the planning, development, redesign, clearance, reconstruction, or rehabilitation, or any combination of these, and the provision of public and private improvements as may be appropriate or necessary in the interest of the general welfare by the Agency. Redevelopment law requires an Agency to set aside 20 percent of all tax increment dollars generated from each redevelopment project area for the purpose of increasing and improving the community's supply of housing for low and moderate income households.

Regional Housing Needs Assessment (RHNA): The Regional Housing Needs Assessment (RHNA) is based on State of California projections of population growth and housing unit demand and assigns a share of the region's future housing need to each jurisdiction within the SCAG (Southern California Association of Governments) region. These housing need numbers serve as the basis for the update of the Housing Element in each California city and county.

Rehabilitation: The upgrading of a building previously in a dilapidated or substandard condition for human habitation or use.

Section 8 Rental Voucher/Certificate Program: A tenant-based rental assistance program that subsidizes a family's rent in a privately owned house or apartment. The program is administered by local public housing authorities. Assistance payments are based on 30 percent of household annual income. Households with incomes of 50 percent or below the area median income are eligible to participate in the program.

Service Needs: The particular services required by special populations, typically including needs such as transportation, personal care, housekeeping, counseling, meals, case management, personal emergency response, and other services preventing premature institutionalization and assisting individuals to continue living independently.

Small Household: Pursuant to HUD definition, a small household consists of two to four non-elderly persons.

Southern California Association of Governments (SCAG): The Southern California Association of Governments is a regional planning agency which encompasses six counties: Imperial, Riverside, San Bernardino, Orange, Los Angeles, and Ventura. SCAG is responsible for preparation of the Regional Housing Needs Assessment (RHNA).

Special Needs Groups: Those segments of the population which have a more difficult time finding decent affordable housing due to special circumstances. Under California Housing Element statutes, these special needs groups consist of the elderly, handicapped, large families, female-headed households, farm workers and the homeless. A jurisdiction may also choose to consider additional special needs groups in the Housing Element, such as students, military households, other groups present in their community.

Subdivision: The division of a lot, tract or parcel of land in accordance with the Subdivision Map Act (California Government Code Section 66410 et seq.).

Substandard Housing: Housing which does not meet the minimum standards contained in the State Housing Code (i.e. does not provide shelter, endangers the health, safety or well-being of occupants). Jurisdictions may adopt more stringent local definitions of substandard housing.

Substandard, Suitable for Rehabilitation: Substandard units which are structurally sound and for which the cost of rehabilitation is considered economically warranted.

Substandard, Needs Replacement: Substandard units which are structurally unsound and for which the cost of rehabilitation is considered infeasible, such as instances where the majority of a unit has been damaged by fire.

Supportive Housing: Housing with a supporting environment, such as group homes or Single Room Occupancy (SRO) housing and other housing that includes a supportive service component such as those defined below.

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Supportive Services: Services provided to residents of supportive housing for the purpose of facilitating the independence of residents. Some examples are case management, medical or psychological counseling and supervision, child care, transportation, and job training.

Tenant-Based Rental Assistance: A form of rental assistance in which the assisted tenant may move from a dwelling unit with a right to continued assistance. The assistance is provided for the tenant, not for the project.

Transitional Housing: Transitional housing is temporary (often six months to two years) housing for a homeless individual or family who is transitioning to permanent housing. Transitional housing often includes a supportive services component (e.g. job skills training, rehabilitation counseling, etc.) to allow individuals to gain necessary life skills in support of independent living.

U.S. Department of Housing and Urban Development (HUD): The cabinet level department of the federal government responsible for housing, housing assistance, and urban development at the national level. Housing programs administered through HUD include Community Development Block Grant (CDBG), HOME and Section 8, among others.

Zoning: A land use regulatory measure enacted by local government. Zoning district regulations governing lot size, building bulk, placement, and other development standards vary from district to district, but must be uniform within the same district. Each city and county adopts a zoning ordinance specifying these regulations.

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